NEW ISSUE–BOOK-ENTRY-ONLY

Ratings: Moody's: A2
Fitch: A+
See "Credit Ratings" herein.

In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by Florida Municipal Power Agency described herein, interest on the Series 2017A Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest on the Series 2017A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2017B Bonds is not excluded from gross income for Federal income tax purposes. See "TAX MATTERS" herein regarding certain other tax considerations.

$122,550,000
FLORIDA MUNICIPAL POWER AGENCY

$69,625,000
All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A

$52,925,000
All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable)

DATED: DATE OF ISSUANCE **DUE: AS SHOWN ON INSIDE FRONT COVER**

The Series 2017A Bonds are being issued by the Florida Municipal Power Agency ("FMPA") to (i) currently refund all of FMPA's outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011A-1 and All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011B, (ii) pay the costs of terminating existing interest rate swap agreements associated with such bonds and (iii) pay the costs of issuance of the Series 2017A Bonds. The Series 2017B Bonds are being issued by FMPA to (i) currently refund all of FMPA's outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011A-2 (Federally Taxable), (ii) pay the costs of terminating an existing interest rate swap agreement associated with such bonds and (iii) pay the costs of issuance of the Series 2017B Bonds. The Series 2017A Bonds and the Series 2017B Bonds together are referred to herein as the "Offered Securities."

The Offered Securities are payable and secured on a parity with FMPA's senior lien Bonds (as defined in "INTRODUCTION – Outstanding Indebtedness") issued for the Project (as defined in "INTRODUCTION – The Project"), including those senior lien Bonds presently outstanding and those that may be issued for the Project in the future.

The Offered Securities are issuable as fully registered bonds and when issued will be registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry-only form through DTC Participants. TD Bank, National Association, Cherry Hill, New Jersey, is the Trustee, Paying Agent and Bond Registrar for the Offered Securities and all other parity senior lien Bonds.

The Offered Securities will be issued in authorized denominations of $5,000 or any integral multiple thereof, and will accrue interest from their dated date payable on each April 1 and October 1, commencing October 1, 2017, at the rates and mature on the dates set forth on the inside front cover of this Official Statement.

The Series 2017A Bonds are not subject to redemption prior to maturity. The Series 2017B Bonds are subject to optional redemption prior to maturity as described herein.

The Offered Securities are direct and special obligations of FMPA, payable from the revenues and other funds of the Project pledged thereto under the Resolution. Neither the State of Florida nor any political subdivision thereof other than FMPA, nor any Member of FMPA, is obligated to pay the Offered Securities. Neither the full faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or any Member is pledged to the payment of the Offered Securities. FMPA has no taxing power.

MATURITY SCHEDULE – See Inside Front Cover

The Offered Securities are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters in connection with the Offered Securities will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters in connection with the Offered Securities are subject to the approval of Frederick M. Bryant, Esquire, FMPA's General Counsel. Dunlap & Associates, Inc., Winter Park, Florida, is acting as FMPA's Financial Advisor. It is expected that the Offered Securities in book-entry-only form will be available for delivery through The Depository Trust Company in New York, New York on or about June 27, 2017.

J.P. Morgan **SunTrust Robinson Humphrey**

June 14, 2017

FLORIDA MUNICIPAL POWER AGENCY

$69,625,000 All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A

DUE OCTOBER 1,	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP[(1)]
2025	$22,785,000	5.000%	1.960%	123.078	342816N84
2026	22,585,000	5.000	2.150	123.813	342816N92
2027	23,180,000	5.000	2.300	124.549	342816P25
2028	1,075,000	5.000	2.450	124.958	342816P33

$52,925,000 All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable)

DUE OCTOBER 1,	PRINCIPAL AMOUNT	INTEREST RATE	PRICE	CUSIP[(1)]
2020	$ 2,225,000	2.197%	100	342816P41
2021	6,765,000	2.380	100	342816P58
2022	6,920,000	2.580	100	342816P66
2023	7,085,000	2.769	100	342816P74
2024	9,065,000	2.919	100	342816P82
2025	20,865,000	3.059	100	342816P90

[(1)] Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, operated on behalf of the ABA by S&P Capital IQ, a division of McGraw-Hill Financial, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Holders of the Offered Securities only at the time of issuance of the Offered Securities and FMPA and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Offered Securities as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Offered Securities.

FLORIDA MUNICIPAL POWER AGENCY

Operational Offices
8553 Commodity Circle
Orlando, Florida 32819
(407) 355-7767
Telecopy: (850) 297-2014

OFFICERS OF THE EXECUTIVE COMMITTEE

Howard McKinnon, Chairperson
Lynne Tejeda, Vice Chairperson

PARTICIPANTS IN THE PROJECT

City of Bushnell
City of Clewiston
City of Fort Meade
Fort Pierce Utilities Authority
City of Green Cove Springs
Town of Havana
City of Jacksonville Beach
Utility Board of the City of Key West
Kissimmee Utility Authority
City of Lake Worth
City of Leesburg
City of Newberry
City of Ocala
City of Starke
City of Vero Beach

MANAGEMENT

Jacob A. Williams, General Manager and CEO
Frederick M. Bryant, Esquire, General Counsel and CLO
Mark J. Larson, CPA, Chief Financial Officer
Frank Gaffney, Chief Operating Officer
Jody L. Finklea, Esquire, Deputy General Counsel and Manager of Legal Affairs
Carol Chinn, Chief Information and Compliance Officer
Mark T. McCain, Assistant General Manager, Member Services, Human Resources and Public Relations
Linda S. Howard, CPA, CTP, Treasurer
Richard Minch, CPA, Controller
Richard Popp, Contract Compliance Audit and Risk Manager

FINANCIAL ADVISOR

Dunlap & Associates, Inc.
Winter Park, Florida

BOND COUNSEL

Nixon Peabody LLP
New York, New York

TRUSTEE

TD Bank, National Association
Cherry Hill, New Jersey

INDEPENDENT ACCOUNTANTS

Purvis Gray & Company
Ocala, Florida

SWAP ADVISOR

Swap Financial Group
South Orange, New Jersey

No dealer or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Offered Securities and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Offered Securities, to any person in any jurisdiction to whom it is unlawful to make such solicitation, offer or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of FMPA or the Participants since the date hereof.

The information in this Official Statement has been furnished by FMPA and the Participants and includes information obtained from other sources, all of which are believed to be reliable. The purpose of this Official Statement is to provide information to prospective investors in the Offered Securities and is not to be used for any other purpose or relied on by any other person.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate", "project", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. A number of factors affecting FMPA's and the Participants' business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

IN CONNECTION WITH THE OFFERING OF THE OFFERED SECURITIES, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH OFFERED SECURITIES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE OFFERED SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

THE OFFERED SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT
of the
FLORIDA MUNICIPAL POWER AGENCY
relating to its
$69,625,000 All-Requirements Power Supply Project
Refunding Revenue Bonds, Series 2017A
and
$52,925,000 All-Requirements Power Supply Project
Refunding Revenue Bonds, Series 2017B (Federally Taxable)

INTRODUCTION

The purpose of this Official Statement (which includes the cover page and appendices hereto) of the Florida Municipal Power Agency ("FMPA" or the "Agency") is to set forth information concerning FMPA, its Members and its $69,625,000 principal amount of All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A (the "Series 2017A Bonds") and $52,925,000 principal amount of All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable) (the "Series 2017B Bonds"). The Series 2017A Bonds and Series 2017B Bonds together are referred to herein as the "Offered Securities."

This Introduction contains a summary of certain of the information contained in this Official Statement. In order to make an informed decision as to whether to invest in the Offered Securities, a potential investor must read this Official Statement in its entirety.

Capitalized terms not otherwise defined in this Official Statement shall have the meanings set forth in the Appendices to this Official Statement.

Florida Municipal Power Agency

FMPA is a governmental legal entity, organized and existing under (i) Section 163.01 of the Florida Statutes (the "Florida Interlocal Cooperation Act"), (ii) Chapter 361, Part II of the Florida Statutes (the "Joint Power Act"), and (iii) an interlocal agreement creating FMPA among the 31 members of FMPA (each individually a "Member" and collectively, the "Members") executed pursuant to the foregoing statutory authority (the "Interlocal Agreement"). The Members of FMPA are 31 Florida city commissions, city and town councils, utility commissions, utility authorities and a utility board. Under Florida law, FMPA has authority to undertake and finance specified projects and, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in those projects. FMPA has the authority to issue bonds or bond anticipation notes for the purpose of financing or refinancing the costs of these projects. See "FLORIDA MUNICIPAL POWER AGENCY."

The Project

The All-Requirements Power Supply Project (the "Project" or the "All-Requirements Power Supply Project") is a power supply project under which FMPA provides to each of the active participating Members (the "Participants") in the Project their individual All-Requirements Service. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants." For a particular Participant, its "All-Requirements Service" is all of its needed electric power and energy, transmission and associated services, unless limited by a contract rate of delivery, except for certain excluded resources. A Participant purchases its All-Requirements Service pursuant to an All-Requirements Power Supply Project Contract with FMPA (each individually a "Power Supply Contract" and collectively, the "Power Supply Contracts"). See "THE POWER SUPPLY CONTRACTS."

The power supply assets of the Project include (i) undivided interests in generating facilities that are owned in whole or in part by FMPA; (ii) power supply resources under long-term and short-term contracts of FMPA; (iii) generation assets owned by some of the Participants or in which some Participants have entitlement shares, the capacity and energy of which are sold to the Project; and (iv) transmission arrangements. For further description of the Project, see "THE PROJECT."

Authority for the Offered Securities

The Offered Securities are being issued pursuant to the Florida Interlocal Cooperation Act, the Joint Power Act and Chapter 166, Part II, Florida Statutes (collectively, the "Act"), and the All-Requirements Power Supply Project Revenue Bond Resolution, adopted on March 22, 1985, as amended and restated in its entirety on May 23, 2003, as amended and supplemented, including as supplemented by the Series 2017A Supplemental All-Requirements Power Supply Project Revenue Bond Resolution (Fixed Rate Bonds) authorizing the Series 2017A Bonds and the Series 2017B Supplemental All-Requirements Power Supply Project Revenue Bond Resolution (Fixed Rate Bonds) authorizing the Series 2017B Bonds, each adopted on May 18, 2017 (collectively, the "Resolution").

Purpose of the Offered Securities

The proceeds of the Series 2017A Bonds will be used, together with other available funds of the Agency, to (i) currently refund all of FMPA's outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011A-1 and All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011B, (ii) pay the costs of terminating existing interest rate swap agreements associated with such bonds and (iii) pay the costs of issuance of the Series 2017A Bonds.

The proceeds of the Series 2017B Bonds will be used, together with other available funds of the Agency, to (i) currently refund all of FMPA's outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011A-2 (Federally Taxable), (ii) pay the costs of terminating an existing interest rate swap agreement associated with such bonds and (iii) pay the costs of issuance of the Series 2017B Bonds.

See "PLAN OF FINANCE."

Outstanding Indebtedness

As of June 1, 2017, FMPA has $1,013,338,000 principal amount of Bonds outstanding in the following amounts with respect to the Project:

$424,120,000	All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2016A (the "Series 2016A Bonds")
115,770,000	All-Requirements Power Supply Project Revenue Bonds, Series 2015B (the "Series 2015B Bonds")
11,025,000	All-Requirements Power Supply Project Revenue Bonds, Series 2013A (Taxable) (the "Series 2013A Bonds")
28,000,000*	All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011A-1 (the "Series 2011A-1 Bonds")
42,000,000*	All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011A-2 (Taxable) (the "Series 2011A-2 Bonds")
42,000,000*	All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2011B (the "Series 2011B Bonds")
15,510,000	All-Requirements Power Supply Project Revenue Bonds, Series 2009A (the "Series 2009A Bonds")
15,235,000	All-Requirements Power Supply Project Revenue Bonds, Series 2009B (Federally Taxable) (the "Series 2009B Bonds")
149,455,000	All-Requirements Power Supply Project Revenue Bonds, Series 2008A (the "Series 2008A Bonds")
19,050,000	All-Requirements Power Supply Project Revenue Bonds, Series 2008B (Federally Taxable) (the "Series 2008B Bonds")
151,173,000	All-Requirements Power Supply Project Variable Rate Demand Refunding Revenue Bonds, Series 2008C (the "Series 2008C Bonds")

* The Agency expects to use a portion of the proceeds of the Offered Securities, together with other available funds, to refund the Series 2011A-1 Bonds, the Series 2011A-2 Bonds and the Series 2011B Bonds. See "PLAN OF FINANCE."

When issued the Offered Securities together with the Series 2016A Bonds, the Series 2015B Bonds, the Series 2013A Bonds, the Series 2009A Bonds, the Series 2009B Bonds, the Series 2008A Bonds, the Series 2008B Bonds and the Series 2008C Bonds will be parity senior lien bonds and, together with all additional senior lien bonds on a parity therewith issued in the future (the "Additional Bonds"), are called the "Bonds."

Additional Bonds

FMPA may, upon compliance with certain terms and conditions set forth in the Resolution, issue additional parity senior lien bonds in an unlimited amount, subject to the conditions specified in the Resolution, for the purpose of providing additional funds to finance costs incurred by FMPA in connection with the Project, including developmental costs, costs of acquisition and construction of additional power supply resources, operating costs and retirement costs. See "THE PROJECT – Future Power Supply" for a discussion of future additional power supply resources. The Resolution also authorizes the issuance of Additional Bonds to refund outstanding Bonds under the conditions specified in the Resolution.

Subordinated Indebtedness

The Resolution authorizes FMPA to incur subordinated indebtedness ("Subordinated Debt") in an unlimited amount for any lawful purpose of FMPA related to the Project. All Subordinated Debt will be subordinate as to security and source of payment to the Bonds, including all Additional Bonds.

FMPA maintains lines of credit that constitute Subordinated Debt. Two lines of credit are outstanding to pay operating and maintenance costs, including posting collateral as may be required by fuel and interest rate hedges. One line of credit is through a revolving credit agreement with JPMorgan Chase Bank, National Association (the "JPMorgan Revolving Credit Agreement") in the amount of $75,000,000. As of June 1, 2017, $5 million was drawn under the JPMorgan Revolving Credit Agreement. The JPMorgan Revolving Credit Agreement expires on July 1, 2019. See "RISK MANAGEMENT – Liquidity."

FMPA's second line of credit is with Wells Fargo Bank, N.A. in the principal amount of $25 million (the "Wells Line of Credit"). As of June 1, 2017, nothing was drawn under the Wells Line of Credit. The Wells Line of Credit expires on November 1, 2019. Draws under the Wells Line of Credit are subject to certain limitations. See "RISK MANAGEMENT – Liquidity."

Trustee

TD Bank, National Association, Cherry Hill, New Jersey, is the Trustee under the Resolution for all debt issued under the Resolution, including all Bonds.

Payments under the Power Supply Contracts

The Power Supply Contracts provide for payments by the Participants of amounts sufficient to pay debt service on all Bonds, including the Offered Securities, and Subordinated Debt and all other payments required by the Resolution, such as operation and maintenance costs of the Project and deposits to reserves. See "THE POWER SUPPLY CONTRACTS."

Security for the Offered Securities

The Offered Securities are direct and special obligations of FMPA payable solely from and secured solely by a pledge and assignment of (i) the proceeds of the sale of the Offered Securities, (ii) all right, title and interest of FMPA in, to and under the Power Supply Contracts, (iii) the Revenues (as defined in the Resolution), and (iv) all funds established by the Resolution including the investment income, if any, thereof, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

FMPA has covenanted in the Resolution to fix, charge and collect rates and charges for the sale of the output of the Project to generate revenues in each year in an amount (with other available funds of FMPA) sufficient to pay all of FMPA's costs and expenses of the Project for that year, including Project operation and maintenance costs and all debt service on all Bonds and Subordinated Debt for that year.

Each Participant has agreed in its Power Supply Contract to fix, charge and collect rates and charges for the services of its electric or integrated utility system in each year sufficient to pay costs and expenses of its utility system for that year, including all amounts payable to FMPA under its Power Supply Contract for that year.

There is no Debt Service Reserve Requirement for the Offered Securities.

See "SECURITY AND SOURCES OF PAYMENT FOR THE OFFERED SECURITIES."

Major Participants

Attached hereto as APPENDIX B is certain information for the following four Participants – City of Jacksonville Beach ("Jacksonville Beach"), Utility Board of the City of Key West, doing business as Keys Energy Services ("Key West"), Kissimmee Utility Authority ("KUA") and City of Ocala ("Ocala") – each of which provided to FMPA at least 10.0% of the revenues from the Project in fiscal year 2016. These four Participants are referred to in this Official Statement as the "Major Participants." See also "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Based on current power supply needs of the other Participants, no additional Participants account for 10% or more of the Agency's revenues from the Project. The aggregate payments to FMPA by the Major Participants with respect to the Project as of September 30, 2016 were approximately 75.92% of all revenues of the Project. As the revenues provided to the Project by each Participant change from time to time, the Participants that make up the top revenue-providing Participants may also change. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Participant's Fiscal Year 2016 Power Supply and Revenue Share

Member	MW[1]	% of 2016 Revenues	Member	MW[1]	% of 2016 Revenues
City of Bushnell	6	0.49%	Kissimmee Utility Authority	354	26.18%
City of Clewiston	26	1.68	City of Lake Worth	0[2]	0
City of Fort Meade	10[3]	0.74	City of Leesburg	111	8.72
Fort Pierce Utilities Authority	112	8.28	City of Newberry	9	0.69
City of Green Cove Springs	26	1.93	City of Ocala	295	24.26
Town of Havana	6	0.44	City of Starke	16	1.11
City of Jacksonville Beach	178	13.22	City of Vero Beach	0[2]	0
Utility Board of the City of Key West	147	12.26	Total:	1,296	100.00%

(1) Participants' non-coincident peak demand in fiscal year 2016 (rounded) that is served from the Project. This amount includes demand served by excluded resources.

(2) The City of Vero Beach and the City of Lake Worth have elected under the Power Supply Contract to exercise their rights to modify their All-Requirements Power Supply Project participation and implement a Contract Rate of Delivery ("CROD"), which limitation, pursuant to the terms of each Power Supply Contract, has been calculated as 0 MW. See "THE POWER SUPPLY CONTRACTS – Contract Rate of Delivery." While they remain participants in the All-Requirements Power Supply Project, effective January 1, 2010 (for Vero Beach) and effective January 1, 2014 (for Lake Worth), they no longer purchase capacity and energy from the All-Requirements Power Supply Project and no longer have representatives on the Executive Committee.

(3) Fort Meade has elected under the Power Supply Contract to implement a CROD pursuant to which the maximum hourly obligation is 10.36 MW.

DESCRIPTION OF THE OFFERED SECURITIES

General

The following is a summary of certain provisions of the Offered Securities. Reference is made to the Offered Securities themselves for the complete text thereof and to the Resolution, and the discussion herein is qualified by such references.

The Offered Securities will be dated the date of delivery thereof and will bear interest from such date payable semiannually on April 1 and October 1 of each year, commencing October 1, 2017, until the principal amount is paid. The Offered Securities shall mature on October 1 in the years and principal amounts and bear

interest at the rates per annum set forth on the inside cover page of this Official Statement. Interest on the Offered Securities will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Offered Securities are issuable only as fully registered bonds in authorized denominations of $5,000 or any integral multiple thereof. The Offered Securities will be registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry only form through DTC Participants. So long as the Offered Securities are registered in the name of Cede & Co., principal of, and interest on, the Offered Securities will be paid to Cede & Co. as the registered owner. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions

The Series 2017A Bonds are not subject to redemption prior to maturity.

The Series 2017B Bonds are subject to redemption upon notice prior to maturity, at the election of FMPA, as a whole or in part at any time at a redemption price equal to the greater of (i) 100% of the principal amount of the Series 2017B Bonds of such maturity to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on the Series 2017B Bonds of such maturity to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2017B Bonds are to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus in each case, accrued and unpaid interest on the Series 2017B Bonds being redeemed to the date fixed for redemption.

"Treasury Rate" means, with respect to any redemption date, with respect to the Series 2017B Bonds of a particular maturity, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second business day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

"Comparable Treasury Issue" means, with respect to the Series 2017B Bonds of a particular maturity, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Series 2017B Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2017B Bonds of such maturity to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date, with respect to the Series 2017B Bonds of a particular maturity, (A) the average of the applicable Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Series 2017B Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers as designated by FMPA.

"Reference Treasury Dealer" means each of four firms, as designated by FMPA, and their respective successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the City of New York (a "Primary Treasury Dealer"), FMPA will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2017B Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to FMPA, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

"Business Day" means any day, other than a Saturday or Sunday, and other than a day on which the Trustee or a Paying Agent (other than the Trustee), as applicable, is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

Redemption Procedures. In the event of redemption of less than all of the Outstanding Offered Securities of a Series and maturity or interest rate, the Trustee will select from the Offered Securities designated by FMPA as the Offered Securities to be redeemed in such manner as the Trustee deems fair and appropriate. The Trustee will mail any required notice of redemption to the registered Holders of any Offered Securities or portions thereof which are to be redeemed, but receipt of such notice will not be a condition precedent to such redemption, and failure to receive any such notice will not affect the validity of the proceedings for the redemption of Offered Securities. New Offered Securities representing the unredeemed balance of the principal amount of any such Offered Securities shall be issued to the registered owner thereof (which shall be Cede & Co., as Securities Depository Nominee of DTC, for so long as the system of registration described in APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM" shall be in effect), without charge therefor, in any authorized denominations in an aggregate unpaid principal amount equal to the unredeemed portion of the Offered Securities surrendered.

Notice of Redemption. In the event that any of the Offered Securities are called for redemption, the Trustee must give notice, at least 20 days (or such lesser period as DTC will then permit) prior to the date fixed for redemption, in the name of FMPA, of the redemption of such Offered Securities, which notice must specify the date of redemption, the Redemption Price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Offered Securities are to be redeemed, the numbers of such Offered Securities and the principal portions thereof to be redeemed. Such notice shall further state that on such date thereof there shall become due and payable upon such Offered Securities or portions thereof to be redeemed the Redemption Price, together with interest accrued to the redemption date, if such redemption date is not an Interest Payment Date, and that from and after the redemption date interest thereon shall cease to accrue and be payable.

Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of monies sufficient to pay the Redemption Price of the Offered Securities or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event. Any such conditional notice may be rescinded at any time before payment of the Redemption Price if any specified condition is not satisfied or any specified event occurs. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such event.

For so long as the Offered Securities are registered in the name of DTC or its nominee, notice of redemption of any Offered Securities will be given by the Trustee to DTC or such nominee only. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM."

PLAN OF FINANCE

The proceeds of the Series 2017A Bonds, together with other available funds of the Agency, will be used to (i) currently refund all of the Series 2011A-1 Bonds outstanding in the principal amount of $42,000,000 and all of the Series 2011B Bonds outstanding in the principal amount of $28,000,000, (ii) pay the costs of terminating three existing interest rate swap agreements associated with the Series 2011A-1 Bonds and the Series 2011B Bonds (together, the "2011A-1/B Swap Agreements") and (iii) pay the costs of issuance of the Series 2017A Bonds.

The proceeds of the Series 2017B Bonds, together with other available funds of the Agency, will be used to (i) currently refund all of the Series 2011A-2 Bonds (together with the Series 2011A-1 Bonds and the Series 2011B Bonds, the "Refunded Bonds") outstanding in the principal amount of $42,000,000, (ii) pay the costs of terminating one existing interest rate swap agreement associated with the Series 2011A-2 Bonds (the "2011A-2 Swap Agreement" and together with the 2011A-1/B Swap Agreements, the "Swap Agreements") and (iii) pay the costs of issuance of the Series 2017B Bonds.

A portion of the proceeds of the Offered Securities will be used, together with other available funds of FMPA, to redeem the Refunded Bonds on or about the date of issuance of the Offered Securities, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

Certain terms of the Swap Agreements are described herein under "RISK MANAGEMENT – Interest Rate Swaps." FMPA expects to terminate the Swap Agreements on the date of pricing of the Offered Securities, at which time the costs for terminating the Swap Agreements will be established. On the date of issuance of the Offered Securities, FMPA expects to use a portion of the proceeds of the Offered Securities to pay the costs of terminating the Swap Agreements to the counterparties (such costs are referred to herein as the "Termination Payments").

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds for the Offered Securities:

Sources	**Series 2017A Bonds**	**Series 2017B Bonds**
Principal Amount	$69,625,000	$52,925,000
Original Issue Premium	16,595,245	–
Funds of FMPA	80,300	61,592
Total	$86,300,545	$52,986,592
Uses		
Redemption of Refunded Bonds	$70,080,301	$42,061,593
Terminate Swap Agreements	15,510,000	10,448,000
Costs of Issuance[1]	710,244	476,999
Total	$86,300,545	$52,986,592

[1] Including, but not limited to, the fees and expenses of attorneys, accountants and advisors, printing expenses and underwriters' discount.

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DEBT SERVICE REQUIREMENTS

The following schedule shows the debt service requirements for the Offered Securities and the other Outstanding Bonds for the Project:

Period Ending October 1,	Debt Service on Outstanding Bonds[1]	Series 2017A Bonds Debt Service		Series 2017B Bonds Debt Service		Aggregate Debt Service on All Bonds
		Principal	Interest	Principal	Interest	
2017	$ 95,239,207	–	$ 908,993	–	$ 388,397	$ 96,536,597
2018	90,683,192	–	3,481,250	–	1,487,478	95,651,920
2019	105,939,311	–	3,481,250	–	1,487,478	110,908,039
2020	88,068,692	–	3,481,250	$ 2,225,000	1,487,478	95,262,420
2021	88,084,568	–	3,481,250	6,765,000	1,438,594	99,769,412
2022	88,089,951	–	3,481,250	6,920,000	1,277,587	99,768,788
2023	88,102,263	–	3,481,250	7,085,000	1,099,051	99,767,564
2024	86,317,825	–	3,481,250	9,065,000	902,868	99,766,943
2025	51,995,303	$22,785,000	3,481,250	20,865,000	638,260	99,764,813
2026	74,918,425	22,585,000	2,342,000	–	–	99,845,425
2027	75,452,427	23,180,000	1,212,750	–	–	99,845,177
2028	75,965,587	1,075,000	53,750	–	–	77,094,337
2029	76,479,822	–	–	–	–	76,479,822
2030	76,993,382	–	–	–	–	76,993,382
2031	91,508,131	–	–	–	–	91,508,131
2032	1,244,254	–	–	–	–	1,244,254
2033	1,212,489	–	–	–	–	1,212,489
2034	1,180,725	–	–	–	–	1,180,725
2035	8,298,960	–	–	–	–	8,298,960
Total:	$1,265,774,514	$69,625,000	$32,367,493	$52,925,000	$10,207,191	$1,430,899,198

Totals may not add due to rounding.

[1] Excludes debt service on the Refunded Bonds, which are expected to be refunded with a portion of the proceeds of the Offered Securities. Interest on variable rate bonds is calculated at respective swap rates plus assumed trading spreads for underlying variable rate securities on a particular series, as applicable. See "RISK MANAGEMENT – Interest Rate Swaps" for swap information on each series of variable rate bonds. Debt service on the Series 2008C Bonds does not include remarketing or liquidity fees payable under the respective third-party agreements.

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SECURITY AND SOURCES OF PAYMENT FOR THE OFFERED SECURITIES

Pledge Under the Resolution

The principal of and premium, if any, and interest on all Bonds issued under the Resolution, including the Offered Securities and any Additional Bonds hereafter issued and any Parity Debt are payable solely from and secured as to payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by (i) proceeds of the sale of the Offered Securities, (ii) all right, title and interest of FMPA in, to and under the Power Supply Contracts, (iii) the Revenues and (iv) all funds established by the Resolution including investment income, if any, thereon, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

The Offered Securities are direct and special obligations of FMPA payable solely out of the Revenues and other funds pledged thereto under the Resolution as described above. Neither the State of Florida nor any political subdivision thereof nor any city or other entity which is a Member of FMPA, other than FMPA, is obligated to pay the principal of and premium, if any, and interest on the Offered Securities, and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or of any city or other entity is pledged to the payment of the principal of and premium, if any, and interest on the Offered Securities. FMPA has no taxing power. FMPA may issue Additional Bonds on a parity basis with the Offered Securities pursuant to the Resolution.

For a more extensive discussion of the terms and provisions of the Resolution, the levels at which the funds and accounts established thereby are to be maintained and the purposes to which moneys in such funds and accounts may be applied, see APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE POWER SUPPLY CONTRACTS."

Rates

FMPA has covenanted in the Resolution to fix, establish, maintain and collect rents, rates, fees and charges under the Power Supply Contracts and to otherwise charge and collect rents, rates, fees and charges for the use or the sale of the output, electric capacity and energy or service of the System which, together with other available Revenues, are reasonably expected to yield Net Revenues for the twelve-month period commencing with the effective date of such rents, rates, fees and charges which shall be equal to at least the Aggregate Debt Service for such period and, in any event, as shall be required, together with other available funds, to pay or discharge all other indebtedness, charges and liens whatsoever payable out of Revenues under the Resolution, excluding from Aggregate Debt Service for purposes of the foregoing any Principal Installment which is a Refundable Principal Installment and which FMPA intends to pay from sources other than Revenues.

Each Participant is required by the terms of its respective Power Supply Contract to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric or integrated utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Participant, (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, its Power Supply Contract, and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

See "RISK MANAGEMENT – Rate Setting."

All-Requirements Power Supply Contracts

The Power Supply Contracts provide for payments by the Participants of amounts sufficient to pay debt service on all Bonds (including the Offered Securities) and Subordinated Debt, and all other payments required by the Resolution, such as operation and maintenance costs of the Project and deposits to reserves. See "THE POWER SUPPLY CONTRACTS" and "THE PROJECT – Member Contributed Resources."

Additional Bonds

FMPA may, upon compliance with certain terms and conditions set forth in the Resolution, issue additional bonds for the purpose of (i) providing additional funds to finance costs incurred by FMPA in connection with the Project, including developmental costs, costs of acquisition and construction of additional power supply resources, operating costs and retirement costs and (ii) refunding any of the Bonds then outstanding under the Resolution.

Flow of Funds Under the Resolution

Pursuant to the Resolution, all Revenues are deposited with FMPA to the credit of the Revenue Fund. Each month funds are to be transferred from the Revenue Fund in the following amounts and in the order of priority set forth below:

First, to the Operation and Maintenance Fund held by FMPA (i) for credit to the Operation and Maintenance Account in the amount, if any, required so that the balance credited to said Account equals the amount estimated to be necessary for the payment of Operation and Maintenance Expenses for the succeeding month, (ii) for credit to the Working Capital Account in the amount, if any, required so that the balance credited to said Account equals the amount budgeted therefor, and (iii) for credit to the Rate Stabilization Account Reserve in the amount, if any, required so that the balance credited to said Account equals the amount so budgeted therefor;

Second, to the Debt Service Fund held by the Trustee for credit to the Debt Service Account, the amount required so that the balance in such Account (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all outstanding Bonds for the period) shall equal the Accrued Aggregate Debt Service;

Third, to reimburse each Reserve Account Credit Facility Provider for any amounts advanced under its Reserve Account Credit Facility;

Fourth, to the Debt Service Fund held by the Trustee for credit to each subaccount of the Debt Service Reserve Account, the amount required for such subaccount to equal the Debt Service Reserve Requirement;

Fifth, to the Subordinated Debt Fund maintained and held as determined by the Supplemental Resolution, the amount, if any, required to pay principal or sinking fund installments of or premium, if any, and interest on each issue of Subordinated Debt and reserves therefor, as required by the Supplemental Resolution authorizing such issue of Subordinated Debt;

Sixth, for credit to the Reserve and Contingency Fund maintained and held by FMPA (i) for credit to the Renewal and Replacement Account, the amount budgeted therefor and (ii) for credit to the Contingency Account, the amount required for such account to equal the Contingency Requirement;

Seventh, for credit to the Decommissioning Fund, if one has been established pursuant to the Resolution, the amount budgeted for credit to such fund for the month, if any; and

Eighth, for credit to the General Reserve Fund maintained and held by FMPA, the remaining balance, if any, of moneys in the Revenue Fund.

Debt Service Reserve

There is no Debt Service Reserve Requirement for the Offered Securities.

THE POWER SUPPLY CONTRACTS

Introduction

Each Participant in the Project has entered into a Power Supply Contract with FMPA. Subject to the early withdrawal of a Participant from the Project, as discussed below, each Power Supply Contract had an initial term of at least 30 years. Each year, each Participant's Power Supply Contract is automatically extended for one additional year so that it will always have a term of at least 30 years unless a Project Participant affirmatively elects, upon one year's prior notice to FMPA, not to continue to automatically extend the Power Supply Contract. Except for the Power Supply Contracts with respect to Starke, Green Cove Springs, Fort Meade and Vero Beach, as described below under "– Elections of Certain Participants," the Power Supply Contracts will remain in effect until at least October 1, 2047.

Purchase and Sale

Under the Power Supply Contract with a particular Participant, FMPA agrees to sell and deliver to that Participant, and that Participant agrees to purchase and take from FMPA, that Participant's "All-Requirements Service." For a particular Participant, its All-Requirements Service is all of its needed electric power and energy, transmission and associated services (unless limited by a CROD, as described under "– Contract Rate of Delivery (CROD)" below) other than energy supplied by resources excluded by the Power Supply Contract, which consist of entitlement shares in the St. Lucie Project ("Excluded Power Supply Resources"). If and to the extent that such Participant has any Excluded Power Supply Resources, FMPA agrees to sell and deliver to such Participant and such Participant agrees to purchase and receive from FMPA generating backup and support services for such Excluded Power Supply Resources including reserves, deficiency energy, transmission losses and firming capacity associated with the delivery of the Excluded Power Supply Resources or the replacement thereof and any associated transmission and dispatching services (the "Back-up and Support Services").

Payments under Power Supply Contracts

Payments made under the Power Supply Contracts are payable solely from the Participants' electric or integrated utility system revenues. Payments by a Participant under its Power Supply Contract are operating expenses of the Participant's electric or integrated utility system, payable on parity with the system's operation and maintenance expenses and before debt service on each Participant's senior and subordinated debt.

The Power Supply Contracts may not be amended, terminated or modified in any manner which will materially adversely affect the security for the Offered Securities.

See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE POWER SUPPLY CONTRACTS – Summary of Certain Provisions of the All-Requirements Power Supply Contracts." See also "STATE REGULATORY OVERSIGHT" herein, and "Elections of Certain Participants" below.

Early Termination of a Power Supply Contract

A Participant may, but only upon satisfaction of the conditions described below, terminate its Power Supply Contract by written notice given at least three years prior to the intended Withdrawal Date (which date must be a September 30). Any such notice by the Participant shall be irrevocable.

The conditions which must be satisfied before any such withdrawal may occur include: (i)(a) payment by the withdrawing Participant of an amount in cash equal to the amount necessary to call a percentage of Bonds and Subordinated Debt equal to the withdrawing Participant's share of the current total energy load of the Project plus (b) the payment of the present value of all additional costs FMPA determines at its sole discretion may be incurred as a result of such withdrawal; (ii) the obtaining of any required approval of any credit facility providers if any Bonds and Subordinated Debt are then secured by a credit facility; (iii) the confirmation of then effective ratings on any Bonds and Subordinated Debt not secured by a credit facility and rated by a national rating agency; and (iv) a determination by bond counsel for FMPA that such withdrawal does not adversely affect the exclusion from gross income for Federal tax purposes of and/or the State of Florida tax exemption of interest on outstanding or future Bond and Subordinated Debt. Within 180 days after the first anniversary of the Withdrawal Date and annually thereafter for the remaining term of the withdrawing Participant's Power Supply Contract, FMPA will reimburse the

Participant in an amount equal to the additional benefits, if any, actually received by FMPA during such preceding year as a result of the withdrawal from the Project by the Participant as solely determined by FMPA. The net amount of such payments by FMPA to the Participant shall not exceed 90% of the payment made by the Participant to FMPA under clause (i)(b) above.

See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE POWER SUPPLY CONTRACTS."

Contract Rate of Delivery (CROD)

Effective on any January 1 upon at least five years' prior written notice to FMPA prior to that January 1, a Participant may limit the maximum amount of electric capacity and energy required as All-Requirements Service for the remainder of the term of its Power Supply Contract so as not to exceed the Contract Rate of Delivery ("CROD"). The CROD is the peak demand of a Participant for electric capacity and energy as All-Requirements Service under the Power Supply Contract during the twelve-month period preceding the date one month prior to the date that such limitation shall become effective, adjusted up or down by FMPA by not more than a 15% reserve margin, so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion, and subject to certain other reductions relating to capacity available from the Participant's own generating facilities and from contractual arrangements under which the Participant is entitled to receive capacity and energy, including contracts relating to other FMPA projects. As discussed below, each of Vero Beach, Lake Worth and Fort Meade has limited its obligations under its respective Power Supply Contract to a CROD that became effective January 1, 2010, January 1, 2014 and January 1, 2015, respectively. In the case of Vero Beach and Lake Worth, the CROD is 0 MW. For the City of Fort Meade the CROD is 10.36 MW. Additionally, Green Cove Springs has notified FMPA of its intent to limit its obligations under its Power Supply Contract to a CROD to be effective January 1, 2020.

Generally, because the calculation of a Participant's CROD involves reducing a Participant's peak demand for a period by that Participant's other power generating capacity, including capacity from FMPA's other projects, a Participant must have other capacity equal to or greater than its peak demand to achieve a 0 MW CROD. Vero Beach and Lake Worth both achieved a 0 MW CROD. Currently, no other Participant is expected to be able to achieve such a 0 MW CROD based upon each Participant's current and forecasted demands and available capacity for each Participant. Additionally, KUA and Key West have each waived their rights to limit their capacity and energy taken from the Project to a CROD. See also "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Elections of Certain Participants

<u>CROD, Withdrawal and Limitation of Term</u>

Green Cove Springs. Green Cove Springs has notified FMPA of its election to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD. Beginning January 1, 2020, and continuing for the term of the Power Supply Contract, the Project will serve Green Cove Springs up to a maximum of electric capacity and energy, to be calculated in December 2019. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs' Power Supply Contract is now fixed and will terminate on October 1, 2037.

Starke. In 2003, Starke gave FMPA notice of its election to not continue the automatic extension of the term of its Power Supply Contract, under Section 2 of its Power Supply Contract. Upon the expiration of the term of its Power Supply Contract with the Agency on October 1, 2035, Starke will no longer be a Participant in the All-Requirements Power Supply Project.

Fort Meade. Fort Meade has elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract to a CROD. The limitation commenced January 1, 2015. Based on Fort Meade's usage between December 2013 and November 2014, and Executive Committee action in December 2014, the maximum hourly obligation through the remaining term of Fort Meade's Power Supply Contract will be 10.36 MW. Concurrently with its notice of the CROD limitation, Fort Meade gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract to discontinue the automatic renewal of the term of its Power Supply Contract. The term of Fort Meade's Power Supply Contract is now fixed and will terminate on October 1, 2041.

Vero Beach. Vero Beach has elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2010. In December 2009, the amount of capacity and energy that Vero Beach is obligated to purchase under this limitation of its Power Supply Contract was determined to be 0 MW. Additionally, effective January 1, 2010, the Capacity and Energy Sales Contract between Vero Beach and FMPA terminated. See "Contract Rate of Delivery (CROD)" above.

In September 2014, Vero Beach gave notice to FMPA of its election to discontinue the automatic extension of the term of its Power Supply Contract. The term of Vero Beach's Power Supply Contract is now fixed and will terminate on October 1, 2046.

In October 2012, Vero Beach gave notice to FMPA that it was electing to withdraw from the All-Requirements Power Supply Project pursuant to the provisions of Section 29 of the Power Supply Contract, in anticipation of selling its retail electric system to Florida Power & Light Company ("FPL"). In February 2013, Vero Beach signed a purchase and sale agreement with FPL, but that agreement expired in December 2016 without any transaction occurring. However, Vero Beach and FPL have continued discussions of a sale transaction. Pursuant to a non-binding letter of intent that was approved by the Vero Beach city council on May 16, 2017 (the "FPL Letter of Intent"), FPL is again proposing to purchase Vero Beach's retail electric system. Such a sale will require Vero Beach to withdraw from the All-Requirements Power Supply Project and to transfer its power entitlement shares in FMPA's other projects in which Vero Beach is a participant. The FPL Letter of Intent designates $108 million to be paid to FMPA upon the sale of the Vero Beach retail electric system to FPL. FMPA is currently discussing the possibility that the All-Requirements Power Supply Project will receive the $108 million as compensation for the additional costs and risks to the All-Requirements Power Supply Project resulting from such sale.

Vero Beach and FMPA have engaged in preliminary discussions for FMPA, through the All-Requirements Power Supply Project, to assume the obligations of Vero Beach in the St. Lucie Project, the Stanton Project, and the Stanton II Project coincident with Vero Beach's withdrawal from the All-Requirements Power Supply Project. Key among the considerations that must be addressed is Vero Beach's agreement to not sell its retail electric system as a participant in the St. Lucie Project, the Stanton Project, and the Stanton II Project unless certain requirements of the power supply and project support contracts for each of the St. Lucie Project, the Stanton Project, and the Stanton II Project are met. In connection with these preliminary discussions, FMPA has produced a preliminary internal valuation of Vero Beach's obligations to FMPA. FMPA's General Manager presented this valuation to the Vero Beach city council in February 2017. Subsequently, FMPA has hired an independent consultant to review FMPA's internal valuation and independently report on its valuation assessment of Vero Beach's interest in FMPA's projects other than the All-Requirements Power Supply Project.

Any transaction for the sale of the Vero Beach retail electric system must comply with the Power Supply Contract and the Resolution. Such a transaction will only move forward with FMPA's participation when all necessary approvals, consents, waivers, and/or amendments are obtained, if required, including the unanimous approval of all Project Participants in the All-Requirements Power Supply Project to any variance from the requirements of the Power Supply Contract. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE POWER SUPPLY CONTRACTS – Summary of Certain Provisions of the Resolution" and "– Summary of Certain Provisions of the All-Requirements Power Supply Project Contracts."

Lake Worth. Lake Worth has elected to limit its All-Requirements Service to a CROD, as permitted by the Power Supply Contract. The limitation commenced January 1, 2014. The CROD was determined to be 0 MW. Additionally, effective January 1, 2014, the Capacity and Energy Sales Contract between Lake Worth and FMPA terminated. See "Contract Rate of Delivery (CROD)" above.

Status of Certain Generation Units Owned by Participants

KUA. Effective October 1, 2008, the Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract with KUA whereby the Project assumed all cost liability and operational management of all KUA-owned generation assets and agreed to pay to KUA agreed-upon fixed annual capacity payments totaling $342,357,889 over preset periods relating to each asset beginning in fiscal year 2009. As of May 1, 2017, $172,268,095 remains to be paid by FMPA. The revised, amended and restated contract provides the Project the right to retire KUA's generation assets at any time during the term of the contract, without shortening the applicable fixed payment term. If the Project elects not to retire Cain Island Units 1-3 after the initial payment period for each unit, payments under the contract will be linked to an agreed-upon capacity price and a calculated service factor that

is based on the unit's average annual usage level over the preceding three years. KUA also waived its right to elect CROD in the revised, amended and restated contract.

Key West. Effective January 1, 2011, the Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the Project assumed all cost liability and operational management of all Key West-owned generation assets and agreed to pay to Key West $6.7 million in fixed annual capacity payments of $670,000 each January 1 from 2011 through 2020, of which $2.01 million remains to be paid by FMPA as of May 1, 2017. Upon final payment Key West will convey its interest in its generation assets to FMPA. The revised, amended and restated contract provides the Project the right to retire Key West's generation assets at any time during the term of the contract, without shortening the fixed payment term, subject to the 60% on-island capacity requirement. FMPA is contractually obligated to meet approximately 60% (or lower, as mutually agreed to by FMPA and Key West) of Key West's weather normalized firm load with on-island generation over the term of the Key West Power Supply Contract, so long as Key West is purchasing its full-requirements from the Project. Key West also waived its right to elect CROD in the revised, amended and restated contract.

RISK MANAGEMENT

General

FMPA has formalized its risk management activities through the creation and adoption by its Board of an Agency-wide risk management program. The FMPA Board created a Risk Oversight Committee in 2002 (currently known as the Audit and Risk Oversight Committee) and it has adopted several risk-related policies to guide Agency activities since then. These policies include its Agency-wide risk management, origination, investments, debt, credit, insurance, purchasing, accounting and internal control policies, power supply and resource planning, operations, contract management, human resources, records and data management, contingency and disaster planning policies. The Executive Committee has also adopted these policies.

The Contract Audit and Risk Management Department is charged with creating risk management policies, monitoring compliance and reporting annually to the Board and Executive Committee on the effectiveness of each policy. The Contract Audit and Risk Management Department works in conjunction with other Agency departments to provide risk oversight within operational function lines. The Contract Audit and Risk Management Department also has the responsibility for FMPA's commercial insurance policies. These policies include: property, builders' risk, workers' compensation, general liability, auto, professional liability and directors and officers liability.

Natural Gas Supply Hedging

On May 21, 2015, the Executive Committee of the Agency discontinued all fuel hedging programs and made the affirmative decision not to engage in further fuel hedging.

Rate Setting

All Project rates – energy, demand and transmission – have automatic monthly cost adjustments. Tied to its Operating and Maintenance Fund cash position and the cash balance target which is set by Executive Committee policy, the rate process includes a base rate and a cost adjustment factor which is calculated to maintain the Project's cash target, given the cost outlook for the following four months. This billing structure has been in place since 2006. The rate adjustment process is automatic and does not require any action by the Executive Committee. This system increases the speed that over and under recoveries are dealt with through the billing process and tracks costs on a more current basis as well as targets the maintenance of an operation and maintenance cash balance at twice that required by the Resolution (two months). The Executive Committee has never stopped or reversed any portion of the automatic rate adjustment process.

Interest Rate Swaps

On May 21, 2015, the Executive Committee of FMPA voted to eliminate consideration of all new interest rate swaps in the future.

As part of its debt management policy, FMPA has used interest rate swap agreements in an effort to lower borrowing costs and reduce the risk of fluctuating interest rates. By entering into interest rate swap agreements that exchange variable payments for fixed payments, FMPA seeks to achieve a lower interest rate than it would have had

if it issued fixed rate debt while at the same time producing a more certain liability than it would have had it not hedged its variable rate liability. Arrangements made under the interest rate swaps agreements do not alter FMPA's obligation to pay principal and interest of Bonds.

The related series of Bonds of each interest rate swap agreement, notional amount, effective date, fixed rate paid, variable rate received, termination date, and original counterparty are as shown in following table.

Bonds	Notional Amount (in thousands)	Effective Date	Fixed Rate Paid	Variable Rate Received	Scheduled Termination Date	Current Counterparty
Series 2008C	$33,180	10/1/2006	3.698%	72% LIBOR	10/1/2027	Merrill Lynch Capital Services, Inc.[1]
Series 2008C	$33,180	10/1/2006	3.701%	72% LIBOR	10/1/2027	Goldman Sachs Bank USA[2]
Series 2008C	$33,180	10/1/2006	3.649%	72% LIBOR	10/1/2027	Morgan Stanley Capital Services, Inc.[3]
Series 2008C	$18,625	10/1/2006	3.669%	72% LIBOR	10/1/2025	UBS AG
	2,684	10/1/2006	3.656%	72% LIBOR	10/1/2026	Bear Stearns Capital Markets Inc.[4]
	11,050	10/1/2006	3.665%	72% LIBOR	10/1/2026	Bear Stearns Capital Markets Inc.[4]
	224	10/1/2006	3.612%	72% LIBOR	10/1/2026	JPMorgan Chase Bank, N.A.
	19,050	10/1/2006	3.737%	72% LIBOR	10/1/2035	Wells Fargo Bank, N.A.[5]
	$51,633					
Series 2008C Total	$151,173					
Series 2011A-2[6]	$42,000	10/1/2006	5.175%	100% LIBOR	10/1/2025	Wells Fargo Bank, N.A.[5]
Series 2011A-1 &2011B[6]	$30,000	10/1/2006	3.667%	72% LIBOR	10/1/2030	JPMorgan Chase Bank, N.A.
Series 2011A-1 &2011B[6]	$25,000	10/1/2006	3.709%	72% LIBOR	10/1/2030	Bear Stearns Capital Markets Inc.[4]
	15,000	10/1/2006	3.667%	72% LIBOR	10/1/2030	JPMorgan Chase Bank, N.A.
	$40,000					
Series 2011A-1 &2011B Total	$70,000					

(1) Guaranty provided by Bank of America Corp.

(2) Goldman Sachs Capital Markets, L.P. pursuant to a merger, has changed its name to Goldman Sachs Bank USA and a guaranty is provided by The Goldman Sachs Group, Inc.

(3) Guaranty provided by Morgan Stanley

(4) Guaranty provided by JPMorgan Chase & Co.

(5) As successor to Wachovia Bank, N.A.

(6) It is expected that FMPA will terminate these Swap Agreements on the date of issuance of the Offered Securities. See "PLAN OF FINANCE."

A discussion of the interest rate swap agreements employed by FMPA in its debt management program is included in Note V. A. "Derivative Financial Instruments–Swap Agreements" in the audited financial statements included in FMPA's Annual Audit Report for its fiscal year ended September 30, 2016. See APPENDIX C – "FMPA'S ANNUAL AUDIT REPORT FOR ITS FISCAL YEAR ENDED SEPTEMBER 30, 2016" and "RISK MANAGEMENT – Liquidity."

UNDER CERTAIN CIRCUMSTANCES, EACH INTEREST RATE SWAP AGREEMENT IS SUBJECT TO EARLY TERMINATION AS STIPULATED BY ITS TERMS. IN THE EVENT OF ANY SUCH EARLY TERMINATION, FMPA WOULD STILL BE OBLIGATED TO PAY THE RATE ESTABLISHED FOR EACH SERIES OF BONDS, AND FMPA COULD BE REQUIRED TO MAKE A TERMINATION PAYMENT TO THE RESPECTIVE COUNTERPARTY. DEPENDING UPON MARKET CONDITIONS AT THE TIME OF ANY SUCH EARLY TERMINATION, THE TERMINATION FEE PAYABLE BY FMPA COULD BE SUBSTANTIAL. PURSUANT TO THE INTEREST RATE SWAP AGREEMENTS, ANY SUCH TERMINATION PAYMENT WOULD BE SUBORDINATE TO PAYMENT OF DEBT SERVICE ON THE BONDS.

Insurance

FMPA maintains commercial insurance that management believes is sufficient to cover applicable risks. FMPA funds a self-insurance account for general liability for two times the highest non-storm property deductible. The Cane Island Units and Treasure Coast Energy Center Unit 1 are insured at full replacement value by FM Global. Both of these sites are classified as Highly Protected Sites by FM Global and there are no outstanding wind storm recommendations.

Cyber Security

FMPA has spent over $1 million on physical and cyber security to protect its generation assets and $200,000 on corporate security since 2012. FMPA has staff dedicated to cyber security. Cyber security protections for FMPA's corporate information technology and generation operations include advanced network/malware protection with Intrusion Prevention and Detection; inspection of all incoming and outgoing traffic; regular staff awareness training; and software and hardware inventory whitelisting and application control (Corporate). A comprehensive penetration test (Corporate) was performed in 2016. FMPA is in compliance with the North American Electric Reliability Corporation ("NERC") Critical Infrastructure Protection Standards ("CIP Standards") applicable to Generator Owners and Transmission Owners (as such terms are defined in the CIP Standards), which provide a cyber security framework for the identification and protection of Bulk Electric System cyber assets. FMPA maintains cyber insurance coverage for property damage as a result of a cyber attack. FMPA is also a participant in the Electricity Subsector Coordinating Council's Cyber Mutual Assistance Program, which allows participants to provide voluntary assistance to each other in the event of cyber disruptions to the energy grid.

FLORIDA MUNICIPAL POWER AGENCY

General

FMPA was created on February 24, 1978, in accordance with the provisions of Article VII, Section 10 of the Florida Constitution, the Florida Interlocal Cooperation Act, the Joint Power Act (FMPA may exercise authority under (i) either the Florida Interlocal Cooperation Act of 1969 or the Joint Power Act or (ii) both) and the Interlocal Agreement as executed by the then Members of FMPA.

FMPA has authority to plan, finance, acquire, construct, purchase, reconstruct, own, lease, use, share in, operate, maintain, repair, improve, extend or otherwise participate jointly in projects, including projects for the generation and transmission of electricity and to issue bonds or bond anticipation notes for the purpose of financing or refinancing the costs of such projects. See "OTHER FMPA PROJECTS."

Organization and Management

Effective May 24, 2007, the FMPA Board of Directors reorganized the governance structure of FMPA to give the Project Participants more control over the business and affairs of the Project.

Each of the 31 Members appoints its director to the Board of Directors of FMPA (the "Board"). The Board is FMPA's governing body generally, except as regards the All-Requirements Power Supply Project. The Board has the responsibility for hiring a General Manager and General Counsel and establishing bylaws, which govern how FMPA operates, and policies which implement such bylaws. The Board also authorizes all non-Project debt issued by FMPA. The Board annually elects a Chairman, a Vice-Chairman, a Secretary and a Treasurer.

The Executive Committee consists of one representative for each Participant, unless a Participant has elected CROD and the CROD is established at less than 15% of the Participant's demand. The Executive Committee is the governing body of the Project. The Executive Committee elects a Chairperson and Vice Chairperson who are in those roles only with regard to the Executive Committee. The Executive Committee adopts bylaws and has policy making authority and control over all the business and affairs of the Project, including the authorization of Project debt. The Project budget and FMPA agency general budget are developed and approved by the Executive Committee.

The General Manager, General Counsel, Secretary and Treasurer of FMPA serve in their same position for both the Board of Directors and the Executive Committee. The day-to-day operations and expenditures of FMPA for projects other than the Project are controlled by the Board of Directors. Control over the same function for the

Project is vested in the Executive Committee. The Executive Committee makes decisions on a one-vote-one-participant basis. A majority vote of a quorum present is necessary for the Executive Committee to take action, except that on certain matters (generally (i) rate schedule amendments, (ii) approval of power supply or other contracts with a term of seven years or more, and (iii) any approval requiring the issuance of debt) a supermajority approval of 75% of the votes present is required for action, if requested by two or more members of the Executive Committee.

The following is a brief description of the officers of the Executive Committee, and the principal staff members of FMPA:

Executive Committee Chairperson: HOWARD MCKINNON

Howard McKinnon, CPA, is the Town Manager of the Town of Havana. He serves as the elected Chairperson of Florida Municipal Power Agency's All-Requirements Power Supply Project Executive Committee. McKinnon was first elected as Chairperson of the Executive Committee in July 2011. He has been a member of the Executive Committee and FMPA's Board of Directors since 2006. McKinnon has served as Town of Havana's Town Manager since 2006. He joined the Town of Havana as Finance Director in 2005. Previously, he served eight years as County Manager of Gadsden County, Fla. McKinnon is active in the Florida Municipal Electric Association and is a past President of the association. He is also active in the American Public Power Association and received the association's Larry Hobart Seven Hats Award in 2010. The Florida Rural Water Association selected McKinnon as Manager of the Year in 2012. He is also a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. McKinnon holds a bachelor's degree in finance and a master's degree in public administration from Florida State University.

Executive Committee Vice Chairperson: LYNNE TEJEDA

Lynne Tejeda is General Manager and CEO of Keys Energy Services. She serves as the elected Secretary of the Florida Municipal Power Agency's Board of Directors and the Vice Chairperson of the All-Requirements Power Supply Project Executive Committee. Tejeda was first elected as FMPA's Secretary in July 2013. She was appointed as her utility's alternate to FMPA's Board of Directors in 2005 and has been a member of the Board since 2013. She was first elected Vice Chairperson of the All-Requirements Power Supply Project Executive Committee in December 2014, and she has been a member of the Committee since 2005. Tejeda is also Chair of FMPA's Conservation and Renewable Energy Advisory Committee, of which she is a founding member. Tejeda has served as Keys Energy Services' General Manager and CEO since 2005. She has been employed by the utility since 1989 in positions including Assistant General Manager and COO. Tejeda is active in the Florida Municipal Electric Association and is a past President of the association. Tejeda previously served on the American Public Power Association's Board of Directors and was the 2013 recipient of the association's Harold Kramer-John Preston Personal Service Award. She currently serves on the Board of the Key West Chamber of Commerce. Tejeda holds a bachelor's degree in journalism from the University of North Carolina at Chapel Hill and a master's degree in business administration from Regis University in Denver, Colo. She is a Certified Public Manager and a graduate of the Berkeley Executive Leadership Program.

General Manager and CEO of FMPA: JACOB A. WILLIAMS

Jacob A. Williams is General Manager and CEO of the Florida Municipal Power Agency, a position he has held since September 2016. Williams has 31 years of experience in the utility industry. Prior to joining FMPA, he served as Vice President, Generation and Emissions Technologies at Peabody Energy in St. Louis, Missouri. From 2007 to 2015, Williams was Vice President, Global Energy Analytics, leading the global analysis of energy and coal markets for Peabody. From 2001 to 2007, Williams was Peabody's Vice President, Generation Development and played a key role in developing the largest new coal generation plant in more than 30 years in the United States. Williams has experience providing services to public power utilities. He served as Peabody's representative on the Prairie State Board of Directors with the public power and cooperative partners from 2009 to 2016. Prior to joining Peabody, Williams held various positions at Alliant Energy (formerly Wisconsin Power & Light) in energy marketing, trading, integrated resource planning, and generation planning, which included working with municipal and joint action agencies. Williams holds a bachelor's degree in electrical engineering from the University of Illinois at Urbana-Champaign and a master's degree in business administration from the University of Wisconsin-Madison.

General Counsel and CLO of FMPA: FREDERICK M. BRYANT, ESQUIRE

Frederick M. Bryant is General Counsel and CLO of the Florida Municipal Power Agency, a position he has held since the Agency's inception in 1978. Bryant has 47 years of experience in municipal utility law. He is peer review rated as AV-Prominent by Martindale Hubble. Prior to joining FMPA's full-time staff in October 1998, Bryant was in private practice for 28 years specializing in municipal utility law, energy law and municipal bond finance. During that time, he served as General Counsel for both FMPA and the Florida Municipal Electric Association. In his long service to Florida's municipal electric utilities, Bryant has represented them before the Florida Legislature, state agencies, the Governor and Cabinet, Florida Supreme Court, federal courts and the Federal Energy Regulatory Commission. Bryant is active in the American Public Power Association (APPA), the national trade association for municipal utilities. He was chairman of APPA's Legal Section in 1980-81. Bryant was awarded APPA's James D. Donovan Individual Achievement Award in 2009 in recognition of his substantial contributions to the electric utility industry with a special commitment to public power. He holds a bachelor's degree from Stetson University and a J.D. from the University of Florida. He was a Captain in the United States Army.

Chief Financial Officer of FMPA: MARK J. LARSON, CPA

Mark J. Larson, CPA is Chief Financial Officer for the Florida Municipal Power Agency. Larson joined FMPA in 2002 and has held several positions during his tenure, including Assistant General Manager, Finance and Information Technology and CFO; Assistant General Manager, CFO and Risk Manager; and Director of Finance. Larson has 34 years of experience in municipal utility finance. Prior to joining the Agency, he was Director of Finance for the Greenville, N.C., Utilities Commission for more than 10 years. Larson is a member of the North Carolina Association of Certified Public Accountants, the North Carolina Association of Government Finance Officers, and the Government Finance Officers Association of U.S. and Canada. Larson holds a bachelor's degree in business administration and a master's degree in accounting from North Texas State University, now known as University of North Texas, and a master's degree in public administration from East Carolina University. He also holds the designation of Certified Public Accountant (CPA) from the state of North Carolina.

Chief Operating Officer of FMPA: FRANK GAFFNEY

Frank Gaffney is Chief Operating Officer for the Florida Municipal Power Agency, a position he was promoted to in March 2017. Gaffney joined FMPA in February 2009 as Regulatory Compliance Officer. He was promoted to Assistant General Manager of and Officer of Regulatory Compliance in January 2012 and then to Assistant General Manager, Power Resources in June 2014. Gaffney has 30 years of experience in the electric utility industry. Prior to joining FMPA, Gaffney worked with R.W. Beck and Associates for 13 years, most recently as National Director and Principal of Transmission Markets and Consulting. Prior to R.W. Beck, Gaffney worked in various positions with Boston Edison for nine years, including Transmission Planning Manager and Distribution Planning Manager. Gaffney is Chair of the Florida Reliability Coordinating Council's (FRCC) Planning Committee and an alternate on the Florida Electric Power Coordinating Group Board of Directors. He holds a bachelor's degree in electric power engineering from Northeastern University, a master's degree in electric power engineering from Rensselaer Polytechnic Institute and a master's degree in management from Lesley College.

Deputy General Counsel and Manager of Legal Affairs of FMPA: JODY L. FINKLEA, ESQUIRE

Jody L. Finklea is Deputy General Counsel and Manager of Legal Affairs for Florida Municipal Power Agency, a position he was promoted to in January 2016. Prior to his current position, he was FMPA's Assistant General Counsel for 10 years. Finklea manages in-house attorneys, legal staff and outside counsel to FMPA and provides legal support for FMPA business and operations. Finklea has more than 18 years of experience in municipal utility law. Prior to joining FMPA, he was an associate at Hopping Green Sams & Smith, P.A., in Tallahassee, Fla., and previously served as Law Clerk for FMPA while earning his juris doctor degree. He holds a bachelor's degree in philosophy from The Catholic University of America in Washington, D.C., a master's degree in public administration from the University of North Florida and a juris doctor degree from Florida State University. Finklea is admitted to The Florida Bar and is board certified as an expert in city, county and local government law. Finklea is active in the American Public Power Association (APPA) and serves as the 2017 Chairman of the Legal Section. In 2011, Finklea was recognized by APPA as a Rising Star in Public Power. He holds a peer review rating as AV-Preeminent by Martindale Hubble.

Chief Information and Compliance Officer of FMPA: CAROL CHINN

Carol Chinn is Chief Information and Compliance Officer for the Florida Municipal Power Agency, a position she was promoted to in January 2017. Chinn joined FMPA in July 2013 as Assistant Compliance Officer. She was promoted to Regulatory Compliance Officer in June 2014. Chinn has 35 years of experience in the electric utility industry. Prior to joining FMPA, Chinn worked with American Transmission Company as the company's Chief Operating Officer. She was also formerly with the Federal Energy Regulatory Commission in the Division of Reliability; and was President and Chief Executive Officer at Georgia Transmission Corp. She began her career with Florida Power & Light. Chinn serves on the North American Electric Reliability Corporation's Member Representatives Committee and was the Chair in 2013. She is a Florida Reliability Coordinating Council Board member, as well as an active participant with the Transmission Access Policy Study Group, American Public Power Association and the North American Generator Forum. Chinn holds a bachelor's degree in environmental engineering from the University of Florida, a bachelor's degree in electrical engineering from the University of Miami and a master's of business administration from the University of Florida.

Assistant General Manager, Member Services, Human Resources and Public Relations of FMPA: MARK T. McCAIN

Mark T. McCain is Assistant General Manager, Members Services, Human Resources and Public Relations for the Florida Municipal Power Agency, a position he has held since October 2009. Prior to his recent position, he was FMPA's Assistant General Manager, Public Relations and Human Resources for three years. McCain has 30 years of experience in the municipal electric utility industry. He began his career with FMPA in 1986 as Communication Specialist. He was promoted in 1995 to Public Relations Manager. In 1998, he was given the added responsibilities of public affairs management. McCain is active in professional associations and has served in various leadership positions for those organizations. He is a long-time member of the Public Relations Society of America (PRSA), the world's largest organization for public relations professionals, and is a past President of the Orlando Regional Chapter of PRSA. He is also active in the American Public Power Association (APPA), the service organization for the nation's more than 2,000 publicly owned electric utilities. McCain has held several leadership positions for APPA's Energy/Consumer Service and Communications Section, including Chairman in 1999 and Chairman of the Communications Committee in 1996. McCain holds a bachelor's degree in journalism from Ohio University.

Treasurer of FMPA: LINDA S. HOWARD, TREASURER, CPA, CTP

Linda S. Howard is Treasurer for Florida Municipal Power Agency, a position she has held since January 2017. Prior to joining FMPA, Howard served as Finance Bureau Chief for the Southwest Florida Water Management District where she managed the accounting, budget and procurement functions. For most of her career, Howard worked at Orlando Utilities Commission (OUC) where she spent 25 years, first as Director of Fiscal Services and then Treasurer. Howard retired from OUC in 2014. She serves on the Board of the National Association of Black Accountants Greater Orlando Chapter, of which she is a charter member. Howard also serves as President-Elect of the Florida Government Finance Officers Association and is a member of the Association of Financial Professionals. Howard holds a bachelor's degree in accounting from the University of Central Florida (UCF) and a master's degree in business administration from UCF. She is a Certified Public Accountant (CPA) from the state of Florida and a Certified Treasury Professional (CTP).

Controller of FMPA: RICHARD MINCH, CPA

Richard Minch is Controller for the Florida Municipal Power Agency, a position he has held since March 2010. Minch has 34 years of experience in accounting and regulated utilities. He began his career with Columbia Gas Systems in 1980 as an accountant. After 18 years with Columbia, he served nearly nine years as Controller for Artesian Resources, whose primary subsidiary was an investor-owned water utility. Minch holds a bachelor's degree in accounting from Wright State University. He also holds the designation of Certified Public Accountant (CPA) from the state of Texas and is a member of the American Institute of CPAs (AICPA).

Contract Compliance Audit and Risk Manager of FMPA: RICHARD POPP

Richard Popp is Contract Compliance Audit and Risk Manager for Florida Municipal Power Agency, a position he has held since May 2008. Popp has 23 years of experience in municipal utility accounting. He began his career with FMPA in 1995 as an accountant. After his departure from the Agency, he was employed by Kissimmee Utility Authority for nearly six years as Senior Financial Analyst. Popp returned to FMPA in April 2002 as Accounting Supervisor. Popp holds a bachelor's degree in accounting from the University of Central Florida and a master's degree in accounting from Nova Southeastern University.

THE PROJECT

Introduction

The Participants in the Project are the following 15 Members: Bushnell, Clewiston, Fort Meade, Fort Pierce, Green Cove Springs, Havana, Jacksonville Beach, Key West, Kissimmee, Lake Worth, Leesburg, Newberry, Ocala, Starke and Vero Beach. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants" and "– Status of Certain Generation Units Owned by Participants" herein.

FMPA has the responsibility to plan for the Participant's future power supply needs. FMPA is continually evaluating its power supply resource mix, projecting the Project's future power needs, and seeking cost-effective generation additions.

Project Generating Facilities Owned by FMPA

Name of Unit	In-Service Date	Primary Fuel Source	Net Summer Capability Rating (MWs)	Percentage of Ownership
Stanton Unit No. 1	July 1, 1987	Coal	441	6.51%
Stanton Unit No. 2	June 1, 1996	Coal	450	5.17
Stanton Unit A	October 1, 2003	Natural Gas	620	3.50
Cane Island Unit 1	January 1, 1995	Natural Gas	35	50.00
Cane Island Unit 2	June 1, 1995	Natural Gas	109	50.00
Cane Island Unit 3	January 25, 2001	Natural Gas	240	50.00
Cane Island Unit 4	July 12, 2011	Natural Gas	300	100.00
Indian River Unit A	July 1, 1989	Natural Gas	32	39.00
Indian River Unit B	July 1, 1989	Natural Gas	32	39.00
Indian River Unit C	October 1, 1992	Natural Gas	105	21.00
Indian River Unit D	October 1, 1992	Natural Gas	105	21.00
Key West Unit 2	June 21, 1998	Fuel Oil	16	100.00
Key West Unit 3	August 1, 1998	Fuel Oil	14	100.00
Stock Island Unit 4	July 1, 2006	Fuel Oil	46	100.00
Treasure Coast Energy Center Unit 1	May 31, 2008	Natural Gas	300	100.00

Stanton Units. As part of the Project, FMPA owns a 6.5060% undivided ownership in Stanton Unit No. 1, a coal-fired electric generating unit with a net summer capability rating of 441 MW ("Stanton Unit No. 1"), and a 5.1724% undivided ownership interest in Stanton Unit No. 2, a coal-fired electric generating unit with a net summer capability rating of 450 MW ("Stanton Unit No. 2" and, together with Stanton Unit No. 1, the "Stanton Units") at

the Stanton Energy Center of the Orlando Utilities Commission ("OUC") located in Orange County, Florida. The Stanton Units were constructed and are operated by OUC.

Additional ownership interest by FMPA and other entities in the Stanton Units is described below under "OTHER FMPA PROJECTS."

Stanton Unit No. 1 began commercial operation on July 1, 1987. For the last five fiscal years, the availability factor has ranged from a low of 61.9% in 2016 to a high of 90.6% in 2015.

Stanton Unit No. 2 began commercial operation on June 1, 1996. For the past five fiscal years, the availability factor ranged from a low of 85.3% in 2014 to a high of 92.1% in 2012.

Cooling water for the Stanton Units is provided by the Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

During calendar years 2012 through 2016, the Stanton Units combined to burn an average of approximately 1,563,500 tons of coal per year. Coal is supplied to the Stanton Units under contracts between OUC and Crimson Coal Corporation ("Crimson") and Foresight Coal Sales, LLC ("Foresight"). The contract with Crimson will supply 1,050,000 tons for 2017 with no options and will supply 200,000 tons for 2018 with no options. The contract with Foresight will supply 574,664 tons with two options of 150,000 tons for 2017 and will supply 400,000 tons with two options of 225,000 tons for 2018. FMPA believes that OUC will make up any deficiencies in supply for the Stanton Units through short-term purchases at spot market prices.

Due to uncertainty over certain environmental regulations, especially following the D.C. Circuit Court's ruling in August 2012 that vacated the Cross-State Air Pollution Rule, OUC indefinitely postponed construction of a selective catalytic reduction ("SCR") for Stanton Unit No. 1. OUC continues to monitor environmental requirements that will be applicable to the Stanton Units in the future and has stated that it currently believes it can meet known environmental laws and regulations regarding NOx emissions through, among other means, implementation of capital projects with a significantly lower total cost than the SCR project.

Stanton Unit A. As part of the Project, FMPA owns a 3.5% undivided ownership interest in a 620 MW (summer rating), gas-fired combined cycle unit located at OUC's Stanton Energy Center site ("Stanton Unit A"). The remaining ownership interests in Stanton Unit A are held by KUA (3.5%), OUC (28%) and Southern Power Company ("Southern") (65%). FMPA is purchasing 20% and OUC is purchasing 80% of Southern's ownership share in Stanton Unit A until 2023. Gas transportation is supplied via the Florida Gas Transmission ("FGT") gas line. Stanton Unit A also has fuel oil as a back-up capability. See "Member Contributed Resources" below.

Stanton Unit A began commercial operation on October 1, 2003. For the last five fiscal years, the availability factor has ranged from a low of 88.8% in 2012 to a high of 93.9% in 2014.

Cane Island Units. As part of the Project, FMPA owns a 50% undivided ownership interest in each of Cane Island Unit No. 1 ("Cane Island Unit 1"), Cane Island Unit No. 2 ("Cane Island Unit 2") and Cane Island Unit No. 3 ("Cane Island Unit 3" and, together with Cane Island Unit 1 and Cane Island Unit 2, "Cane Island Units 1-3") and owns a 100% undivided ownership interest in Cane Island Unit No. 4 ("Cane Island Unit 4" and together with Cane Island Units 1-3, the "Cane Island Units"). The Cane Island Units are located at KUA's Cane Island Power Park site in Osceola County, Florida. The Cane Island Units are natural gas-fired electric generating units with No. 2 oil as a backup capability except for Cane Island Unit No. 4. Cane Island Unit 1 is a combustion turbine, and Cane Island Unit 2, Cane Island Unit 3, and Cane Island Unit 4 are combined cycle units. Cane Island Units 1-3 were constructed, and are operated, by KUA. Cane Island Unit 4 was constructed by FMPA and is operated by KUA. KUA owns the remaining 50% of Cane Island Units 1-3. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants" and "– Status of Certain Generation Units Owned by Participants."

Cane Island Unit 1 has a summer rating of 35 MW and was placed in service in January 1995. For the last five fiscal years, the availability factor has ranged from a low of 91.8% in 2016 to a high of 99.2% in 2013.

Cane Island Unit 2 has a summer rating of 109 MW and was placed in service in June 1995. For the last five fiscal years, the availability factor has ranged from a low of 50.4% in 2016 to a high of 92.2% in 2015.

Cane Island Unit 3 has a summer rating of 240 MW and was placed in service in June 2002. For the last five fiscal years, the availability factor has ranged from a low of 65.7% in 2013 to a high of 95.7% in 2015.

Cane Island Unit 4 has a summer rating of 300 MW and was placed in service in July 2011. For the last five fiscal years, the availability factor has ranged from a low of 85.7% in 2012 to a high of 94.8% in 2016.

Indian River Units. As part of the Project, FMPA owns a 39% undivided ownership interest in each of the Indian River Combustion Turbine Units A & B ("Indian River Units A & B") and a 21% undivided ownership interest in each of the Indian River Combustion Turbine Units C & D ("Indian River Units C & D" and, together with Indian River Units A & B, the "Indian River Units") located in Brevard County, Florida. The remaining ownership interests in Indian River Units A & B are held by (i) OUC (48.8%) and (ii) KUA (12.2%), and the remaining ownership interests in Indian River Units C & D are held by OUC (79%). The Indian River Units were constructed and are operated by OUC on behalf of the co-owners.

All four Indian River Units are used as peaking units. The Indian River Units burn either natural gas or No. 2 fuel oil, with gas transportation supplied via FGT.

Indian River Units A & B each have a summer rating of 32 MW and were placed in service on July 1, 1989. For the last five fiscal years, the availability factor of Indian River Unit A has ranged from a low of 93.3% in 2012 to a high of 98.0% in 2015. For the last five fiscal years, the availability factor of Indian River Unit B has ranged from a low of 94.7% in 2012 to a high of 97.1% in 2013.

Indian River Units C & D each have a summer rating of 105 MW and were placed in service in October 1, 1992. For the last five fiscal years, the availability factor of Indian River Unit C has ranged from a low of 85.6% in 2014 to a high of 96.4% in 2015. For the last five fiscal years, the availability factor of Indian River Unit D has ranged from a low of 73.1% in 2012 to a high of 95.0% in 2014.

Stock Island Units 2 and 3. As part of the Project, FMPA owns a 100% undivided ownership interest in each of two combustion turbines at the Stock Island Generating Facility near Key West. Stock Island Units 2 & 3 are refurbished GE Frame 5 units that burn No. 2 oil. FMPA constructed Stock Island Units 2 & 3 to provide peaking supply and on-island reliability for the Key West System.

Stock Island Unit 2 has a summer rating of 16 MW and was placed in service is 1998. For the last five fiscal years, the availability factor of Stock Island Unit 2 has ranged from a low of 95.9% in 2016 to a high of 99.8% in 2014.

Stock Island Unit 3 has a summer rating of 14 MW and was placed in service in 1998. For the last five fiscal years, the availability factor of Key West Unit 3 has ranged from a low of 86.2% in 2014 to a high of 99.7% in 2013.

FMPA is contractually obligated to meet approximately 60% (or lower, as mutually agreed to by FMPA and Key West) of Key West's weather normalized firm load with on-island generation over the term of the Key West Power Supply Contract, so long as Key West is purchasing its full-requirements from the Project (the "60% On-Island Requirement"). During fiscal year 2013, FMPA commissioned a study of the 60% On-Island Requirement that was designed to set forth the steps and processes to be taken by FMPA and other related parties, including Key West, to (1) initially develop a long-term generation plan for meeting the 60% On-Island Requirement, and (2) monitor and update the long-term generation plan over time to address changing circumstances. Based on the information available at the time of the study, which was completed in 2014, (i) FMPA found no evidence to refute that the life of the units at the Stock Island Plant could be extended through at least 2033 (based on 20 year study period) at reasonable cost using such a condition based and preventive maintenance strategy and (ii) there were no known operational limitations of maintaining the current capacity ratings over the 20 year study period. FMPA updated its analysis in early 2017 and found no change in circumstances that would change FMPA's conclusion from the prior study.

Stock Island Unit 4. As part of the Project, FMPA owns a 100% undivided ownership interest in a 45 MW combustion turbine unit located at the Stock Island Generating Facility near Key West ("Stock Island Unit 4"). Stock Island Unit 4 is a GE LM6000 PC-Sprint aeroderivative unit that burns No. 2 oil. Stock Island Unit 4 is operated by Key West and will provide peaking supply and on island reliability for Key West. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Stock Island Unit 4 was placed in service is 2006. For the last five fiscal years, the availability factor of Stock Island Unit 4 has ranged from a low of 94.6% in 2012 to a high of 98.2% in 2015.

Treasure Coast Energy Center Unit 1. As part of the Project, FMPA owns a 100% undivided ownership interest in a 300 MW natural gas-fired combined cycle unit located in Fort Pierce (the "Treasure Coast Energy Center Unit 1"). The unit is operated under contract by Fort Pierce Utilities Authority ("FPUA"), with gas transportation supplied by FGT.

The Treasure Coast Energy Center Unit 1 was placed in service in May 2008. For the last five fiscal years, the availability factor of Treasure Coast Energy Center Unit 1 has ranged from a low of 83.5% in 2015 to a high of 94.7% in 2014.

Florida Gas Transmission Transportation Contracts. Natural gas for the Cane Island Units, the Treasure Coast Energy Center Unit 1, the Indian River Units and the Oleander PPA (a tolling structured power purchase deal where FMPA delivers natural gas) is transported under long-term firm transportation contracts with FGT. The average annual daily capacity is 97,743 MMBtu/d. FMPA also has firm call rights for an additional annual average of 42,000 MMBtu/d of firm transportation capacity through a long term capacity release arrangement. Firm capacity demand charges are only incurred when this capacity is called. FMPA has also contracted for 50,000 MMBtu/d of firm capacity on Transco Gas Pipeline from their Station 85 to FGT to achieve a percentage of supply source diversity; taking advantage of the development of production from shale sourced gas supplies available at Station 85. FMPA has also contracted with the Southern Pines Storage facility for 1,000 MMBtu of firm gas storage capacity as a reliability measure to ensure natural gas supply availability during times of weather related interruptions. Florida Gas Utilities ("FGU") acts as FMPA's agent in the daily management of these natural gas capacity commitments.

Environmental and Operational Compliance

FMPA believes that each of the All-Requirements Power Supply Project power generating resources is well maintained and is in substantial compliance with all current environmental laws and operating permits. FMPA has budgeted capital and operating costs, based on current legal requirements and future requirements that are known and understood. Additional costs may arise from new statutes or changing regulations, particularly with respect to coal-fired plants, that cannot currently be predicted and could range from minimal to significant. See "ENVIRONMENTAL REGULATION."

Purchased Power and Other Contracts

FMPA has two long-term contracts with respect to the Project to purchase power and energy from Southern or its subsidiaries. FMPA believes that it will be able to replace these resources when the contracts expire, and if the need arises, with either new resources under contracts that will be at market based rates or with jointly owned or self-built generation.

FMPA and Southern have an agreement pursuant to which FMPA purchases the entire output (approximately 160 MW) from Oleander Unit No. 5, a natural gas-fired simple cycle generating unit at Southern's Oleander natural gas peaking plant. Generation from the unit is dedicated to FMPA. The initial term of the agreement runs through December 15, 2027. The agreement includes a five-year extension option.

As discussed above, FMPA also has a contract for approximately 79 MW summer/84 MW winter of purchase power from Southern's ownership interest in Stanton Unit A. The initial term of the agreement runs through September 30, 2023. FMPA has extension options that could extend the agreement to 2033.

Member Contributed Resources

Pursuant to their joining the Project, KUA, Fort Pierce and Key West entered into a Capacity and Energy Sales Contract whereby these Participants sell the capacity and energy from their generating units to the Project. These Participants also agreed to sell to the Project any capacity and energy from any Entitlement Shares they have in the Stanton, Stanton II or Tri-City Projects. In addition, Starke assigned to the Project its capacity and energy in the Stanton and Stanton II Projects. The price paid by the Project to these Participants is equal to each month's billing from FMPA to each of these Participants for their Entitlement Shares in the Projects. The Capacity and Energy Sales Contracts with both Vero Beach and Lake Worth have been terminated. Additionally, effective

October 1, 2008 and January 1, 2011, respectively, KUA and Key West entered into Revised, Amended and Restated Capacity and Energy Sales Contracts. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Generating units owned by Participants may be retired in the future, subject to the availability of suitable replacement capacity and energy.

Fuel Supply

Coal Supply. For a description of the coal supply to Project generating facilities, see "Project Generating Facilities Owned by FMPA" above.

Gas Supply. Natural gas for Stanton Unit A is obtained by OUC for itself, KUA and FMPA. All physical supplies of natural gas used at FMPA-owned or Participant-owned Project generating facilities are purchased by FGU for FMPA under a service agreement between FMPA and FGU. Typically these supplies are purchased on a month-to-month basis; priced at a NYMEX less basis, a "first-of-the-month" index, or a daily index. Adjustments are made on a daily basis to balance supply with forecasted load by either purchasing incremental volumes or selling surplus volumes. FGU also handles all natural gas transportation scheduling and settlement functions for FMPA and ensuring reliable fuel deliveries for the Project.

Oil Supply. All physical fuel oil purchases are centrally administered by FMPA. Purchases of fuel oil are typically only made to maintain back-up inventories at a level consistent with FMPA's fuel management policies. These inventories provide an alternate fuel source to enhance generator reliability in the event of a natural gas fuel interruption. The purchases are made on a spot basis and at the then effective market price.

Public Gas Partners, Inc. In November 2004, FMPA signed an agreement for the benefit of the Project with the other current contract parties consisting of six public gas utilities in five different states to form a gas supply agency called Public Gas Partners, Inc. ("PGP"). PGP is formed under Georgia law as a not-for-profit corporation and is tax-exempt for federal tax purposes. PGP was created to secure economical, long-term wholesale natural gas supplies for its seven members in order to stabilize and reduce the cost of natural gas. Current members of PGP, along with FMPA, include Municipal Gas Authority of Georgia, National Public Gas Agency, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation.

FMPA does not anticipate that it will acquire any additional natural gas supply through PGP.

Transmission and Dispatch Agreements

Transmission. OUC provides transmission service for delivery of power and energy from FMPA's ownership in Stanton Unit No. 1, Stanton Unit No. 2, Stanton Unit A and the Indian River Units for the Project to the FPL and Duke Energy of Florida ("DEF") interconnections with OUC for subsequent delivery to the Participants over the life of the Units. Rates for such transmission wheeling service are based upon OUC's costs of providing such transmission wheeling service and under terms and conditions of the OUC-FMPA firm transmission service contracts for the Project.

FMPA has contracts with DEF, FPL and OUC to transmit the various Project resources over the transmission systems of each of these three utilities. The Network Service Agreement with FPL was executed in March 1996 and was subsequently amended to both conform to the FERC Pro forma Tariff and to add additional members to the Project. The FPL agreement provides for network transmission service for the Project Participants interconnected to FPL's transmission system. The Network Service Agreement with DEF became effective January 1, 2011 and conforms to FERC's Pro forma Tariff. The DEF agreement provides for network transmission service for the Project Participants interconnected with DEF's transmission system. FMPA also has several transmission wheeling agreements with OUC which are associated with each FMPA generation resource located on OUC's system and which also provide for network type transmission service over OUC's system.

FMPA is a 68% owner of the transmission lines that connect the Cane Island site to the transmission grid with control rights to utilize the full capacity of those transmission lines to serve the Project.

Florida Municipal Power Pool

The Project is a member of the Florida Municipal Power Pool ("FMPP"). The other members of FMPP are Lakeland and OUC. The FMPP is an operating power pool in which the generating resources of members are centrally dispatched to meet their combined load requirements. The FMPP began operations in 1988. FMPP resources include the members' coal fired generation, gas/oil fired units, ownership interest in nuclear capacity and various firm capacity and partial requirements arrangements with other utilities. Each FMPP member is responsible for maintaining sufficient capacity to serve its own load including an adequate amount of reserves. All FMPP transactions are settled using the "clearing house price" methodology. The resources of FMPP are essentially committed and dispatched by OUC, which handles the day-to-day operations of the FMPP.

The FMPP operates under a three-year agreement that automatically renews until such time as all of the FMPP members elect to terminate the agreement. If a member of FMPP were to withdraw early, the pool continues with the remaining members.

The FMPP Agreement was amended in 2011 to incorporate the dispatch services that were previously supplied to FMPA under contract by OUC. Under the revised agreement, FMPA contracts with FMPP for the dispatch of FMPA's generation resources to serve the loads of the Participants on a continuous real-time basis. The Participant delivery points were removed from the control areas of DEF and FPL, effectively placing the Participants into the FMPP Balancing Authority area, although scheduled power deliveries to the Participants are transmitted to the delivery points over the DEF or FPL systems. In order to integrate the Participants into the FMPP Balancing Authority area, each delivery point is equipped by FMPA with a Remote Terminal Unit to collect and transmit necessary real-time load data to the OUC automatic generation control system.

The 2011 amended agreement provides for (i) FMPP to dispatch FMPA's resources to serve the combined loads of the Participants located in DEF's service territory and the Participants located in FPL's service territory; (ii) FMPA installing and maintaining the necessary equipment on the Participants' systems; (iii) OUC installing and maintaining the necessary equipment on its system; and (iv) pricing and payments for services provided.

The Project's membership in the FMPP provides several benefits for the Project. By participating in the FMPP, the Project is able to realize significant savings due to the fact that FMPA is able to utilize more efficient, less costly generation than FMPA could have utilized if the Project were not a member of the pool. A pool marketing group that buys or sells capacity and energy on a daily basis has improved non-Participant revenue for the Project through the successful sale or purchase of excess capacity and energy outside of the Project.

Conservation And Demand-Side Management Activities

As a wholesale supplier of electric energy to the Project, FMPA is not directly responsible for conservation and demand-side management ("DSM") programs. However, the Participants offer a variety of conservation and DSM programs to their consumers.

In July 2008, the Executive Committee established the Conservation and Renewable Energy Advisory Committee to evaluate and make recommendations on conservation and renewable energy programs for the Project (the "ARP Conservation Program"). Since 2008, the Executive Committee annually has funded the ARP Conservation Program. In fiscal year 2016, the Executive Committee budgeted $700,000 for Participant's conservation and renewable energy efforts. In eight years, the fund has helped the Participants' customers make energy-saving improvements that are expected to save 172 million kilowatt-hours over the life of the products purchased or measures taken.

Future Power Supply

General. In April 2017, FMPA filed its most recent Ten Year Site Plan for the Project ("2017 TYSP") with the Florida Public Service Commission ("PSC"). The 2017 TYSP provides, among other things, a description of existing electric generation resources, a 10-year forecast of electric power generating needs and an identification of the general location and type of any proposed generation capacity and transmission additions for the next 10-year period. As reported in the 2017 TYSP, the Project has sufficient resources to maintain 18% generation reserves through 2023.

FMPA's 2016 Load Forecast provides a current estimate of its baseline load forecast for the next 20 years as well as alternative high and low forecasts reflecting the uncertainty in the primary driving variables, i.e., trends of Florida economic activity and weather. The baseline forecast indicates a 1.3% compound annual growth rate in net energy for load of the current Project participants during the period 2016 – 2025, and a 1.0% compound annual growth rate in net energy for load for the period 2026 through 2035. Taking into account existing Project resources and scheduled power purchase contract expirations, and assuming maintenance of an 18% reserve margin for the summer season, the forecast projects no need for additional capacity resources until the summer season of 2024. FMPA staff continuously studies a variety of alternatives to meet future needs for additional resources. FMPA's goal is to have minimum long term power costs with maximum reliability while maintaining flexibility to respond to a changing market place and regulatory environment and addressing possible State initiatives relating to greenhouse gas emission reductions. FMPA cannot predict what resources will ultimately be required or acquired or developed by the Project or the operating and capital costs associated therewith, although any such costs of additional generation resources are expected to be significant.

Since 2006, the Project has met increases in demand, in part, with the construction of power generation resources, including (i) Cane Island Unit No. 4, an approximately 300 MW combined cycle unit located near Kissimmee, which was placed in service in 2011, (ii) the Treasure Coast Energy Center Unit 1, an approximately 300 MW combined cycle unit located in Fort Pierce, which was placed in service in 2008 and (iii) Stock Island Unit 4, an approximately 45 MW combustion turbine unit located at the Stock Island Plant near Key West, which was placed in service in 2006.

Solar Energy. FMPA continues to evaluate the potential to participate in future solar projects that may be constructed in Florida. No specific project has been identified, but FMPA is considering various options.

Future Nuclear Resources. FMPA continues to evaluate the potential to participate in future nuclear units that may be constructed in Florida, including FPL's Turkey Point Units 6 and 7 of about 1,100 MW each. Participation in a new nuclear unit could provide the Project with (i) increased baseload generation, (ii) fuel diversification and (iii) a generation resource that does not emit greenhouse gases. However, new nuclear generation units will have a significant cost and be subject to project development risk (including cost increases, construction delays, and possible unit cancellation) and a lengthy construction schedule. The earliest projected start date for the commercial operation of the nuclear units described in this paragraph is after 2024, although there can be no assurance that any unit will begin operation at such time.

The All-Requirements Power Supply Project is also evaluating the possibility of taking a transfer and the assignment of Vero Beach's power entitlement share in the St. Lucie Project. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants – CROD, Withdrawal and Limitation of Term – *Vero Beach*." If the All-Requirements Power Supply Project ultimately takes a transfer and assignment of Vero Beach's St. Lucie Project power entitlement share, it will be the first time that a nuclear resource would be included in the power supply portfolio of the All-Requirements Power Supply Project.

Future Natural Gas Combined Cycle Resources. FMPA continues to evaluate the potential to participate in future, large-scale combined cycle power plants that may be constructed in Florida. However, no such participation opportunities have been identified to date. Such participation would provide FMPA with a highly efficient and relatively low-installed cost generation resource.

Demand-Side Management. The Project does not currently sponsor any demand-side management programs, essentially because the Project has excess installed capacity. See "THE PROJECT – Sales to Non-Participants." FMPA is continuing to evaluate potential DSM programs that the Project could sponsor in the future and that would enable the Project to postpone, or mitigate, the need for future supply-side generation resources. Programs currently under consideration include distributed resources, energy storage, direct control load management and back-up generator programs.

Peaking Resources. Peaking resources have a short construction lead time, which will allow FMPA to quickly respond to a change in need should load be more than expected, other supply-side or demand-side alternatives do not become available, or the regulatory environment or market conditions change. FMPA has identified several sites well-suited for expansion, with peaking resources including the Stock Island Site, the Cane Island Power Park and the Treasure Coast Energy Center.

Expenditures related to the development, acquisition or construction of future power resources may be financed with Additional Bonds or other parity indebtedness.

Project Operations

For the fiscal year that ended on September 30, 2016, the coincident peak demand of the Project was 1,267 MW. This peak demand was a 6% increase compared to the 2015 fiscal year.

For the 2016 fiscal year, the Project produced 5.7 million MWh of billable energy, a 3.6% increase from the 2015 fiscal year.

Sales to the Participants in fiscal year 2016 were $409 million, a 2.3% increase compared to the 2015 fiscal year which was due primarily to lower natural gas costs.

For the 2016 fiscal year, Project power costs and costs billed to Project Participants were 7.2 cents per kWh, a 1% decrease compared to the 2015 fiscal year.

Sales to Non-Participants

To increase revenue and, thus, reduce Project power costs to Project Participants, FMPA has a strategic goal of selling excess capacity to non-Project Participants when it is economically feasible and there is an opportunity to do so. From 2011 to 2015, the Project was the full requirements supplier to the City of Quincy, having an approximately 25 MW peak demand.

In March 2017 FMPA submitted wholesale power supply proposals to the City of Bartow, having an approximately 64 MW peak demand. On June 1, 2017, the City of Bartow announced that FMPA, together with a proposal from OUC, had been selected as the first ranked proposal. Subject to final contract negotiations and Bartow city council approval, as well as appropriate approvals from OUC and FMPA, FMPA plans to negotiate to sell Bartow approximately 25 MW of peaking capacity and energy in 2018, 2019 and 2020, and full requirements service in 2021 and 2022, with extension terms available. The City of Bartow will not, as such, be a Project Participant, but FMPA will make use of its excess capacity to supply capacity and energy to Bartow, which is intended to lower Project power costs for all Project Participants.

Historical and Projected Future Capacity Requirements and Resources

The historical and projected future Project capacity requirements and resources for the years ending September 30 are summarized in the following table.

THE PROJECT
HISTORICAL AND PROJECTED FUTURE CAPACITY REQUIREMENTS AND RESOURCES

	Actual			Estimated					
Project Requirements (MW)	2014	2015	2016	2017	2018	2019	2020	2021	2022
Coincident Peak Demand[1]	1,186	1,194	1,268	1,222	1,237	1,253	1,268	1,284	1,300
Project Resources (MW)[2]									
Excluded Power Supply Resources[3][4]	35	35	35	35	35	35	33	33	33
Stanton Unit 1	92	92	92	92	92	92	92	92	92
Stanton Unit 2	85	85	85	85	85	85	85	85	85
Cane Island Unit 1	17	17	17	17	17	17	17	17	17
Cane Island Unit 2	54	54	54	54	54	54	54	54	54
Cane Island Unit 3	120	120	120	120	120	120	120	120	120
Cane Island Unit 4	300	300	300	300	300	300	300	300	300
Indian River Units A & B	25	25	25	25	25	25	25	25	25
Indian River Units C & D	44	44	44	44	44	44	44	44	44
Key West Unit 2 & 3	30	30	30	30	30	30	30	30	30
Key West Unit 4	46	46	46	46	46	46	46	46	46
Treasure Coast Energy Center Unit 1	300	300	300	300	300	300	300	300	300
Key West Native Generation[5]	37	37	37	37	37	37	37	37	37
Kissimmee Native Generation[5]	200	200	200	200	200	200	200	200	200
Stanton A[6]	122	122	122	122	122	122	122	122	122
Oleander[6]	162	162	162	162	162	162	162	162	162
Short-term Purchases	0	0	0	0	0	0	0	0	0
Total Resources (MW)	1,667	1,667	1,667	1,667	1,667	1,667	1,665	1,665	1,665
Total Project Reserve Percentage[7]	41%	40%	31%	36%	35%	33%	31%	30%	28%

(Numbers may not add due to rounding.)

(1) Peak demands are at the delivery point level (summer season).
(2) Unless otherwise noted, projected future capacity amounts shown reflect either actual ratings of owned resources or capacity purchased under firm contracts.
(3) Excluded Power Supply Resources consist of entitlement shares in the St. Lucie Project and ownership shares in Crystal River No. 3. Crystal River No. 3 was retired in 2013.
(4) The decrease in capacity beginning in 2020 reflects the reduction in Excluded Power Supply Resources due to the election by Green Cove Springs to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD beginning January 1, 2020. See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."
(5) Capacity and Energy purchase.
(6) Capacity shown for Stanton A and Oleander includes amounts purchased under contracts from Southern.
(7) Reserve Margin calculated as ((Total Resources – Partial Requirements Purchases) – (Total Requirements – Partial Requirements Purchases)) / (Total Requirements – Partial Requirements Purchases). Volatility in the Project reserve margin is directly related to volatility in peak demand. Historical projections of demand growth rates have been in the 2% to 3% range while the actual growth rates shown here are in the -3% to approximately 8% range. Planning for future capacity requires that resources be added to reflect expected long-term increases in demand. This may cause volatility in the reserve margin, but is more practical than adding smaller resources more frequently. The Project has the added complexity of being divided into different transmission areas; providing adequate resources to meet demand in each of the transmission areas can cause some volatility in the reserve margin for the Project as a whole.

The following table summarizes the historical operating results for the Project for the Fiscal Years ending September 30, 2014 through September 30, 2016.

HISTORICAL OPERATING RESULTS
FOR THE PROJECT

(Dollars in Thousands)

	Fiscal Year Ending September 30,		
REVENUES:	2014	2015	2016
Participant Billings[1]	$493,159	$399,979	$409,104
Interest Income[2]	959	749	855
Due from (to) Participants[3]	5,205	7,798	(12,419)
Sales to Others[4]	25,767	45,656	26,146
Total Revenues	$525,090	$454,182	$423,686
OPERATING EXPENSES:			
Fixed Payment Obligations	$ 19,905	$ 19,738	19,738
Fixed Operating and Maintenance[5]	55,621	60,693	67,270
Fuel Costs[6]	283,682	204,743	162,762
Purchased Power	27,523	31,755	25,546
General Administrative and Other[7]	21,957	21,729	22,349
Transmission[8]	26,247	26,862	26,256
Total Operating Expenses	$434,935	$365,520	$323,921
EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT	$ 90,155	$ 88,662	$ 99,765
Debt Service[9]	86,247	87,798	92,445
Net Available for Other Purposes[10]	$ 3,908	$ 864	$ 7,320
Net Sales to Participants (GWh)	5,404	5,466	5,692
Net Power Costs to Participants (Cost/MWh)[11]	$92.21	$74.60	$69.69
Days Cash on Hand	167	186	225

(1) Participant billing in 2016 was higher due primarily to sales of more MWh.
(2) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
(3) Accounts receivable from/(payable to) Participants due to under/(over) recoveries.
(4) Sales to Others in 2014 included sales of $24,784,000 to FGU, in 2015 included sales of $30,036,000 to FMPP and in 2016 included sales of $22,413,000 to FMPP.
(5) FMPA's share of operation and maintenance expenses, excluding fuel, allocated to the Project.
(6) This amount was adjusted from the corresponding amount reflected in FMPA's audited financial statement by removing a non-cash amortization for an investment in Public Gas Partners, Inc.
(7) Administrative and general expenses for OUC, KUA, FMPA and Southern Company allocated to the Project.
(8) Includes transmission charges over the transmission systems of FPL, DEF and OUC.
(9) Amounts paid from Revenues with respect to principal of and interest on Bonds and any other indebtedness issued under the Resolution.
(10) Net Available for Other Purposes reflects the impact of accrual accounting on a cash-basis rate and budget process.
(11) Net power costs are driven primarily by changes in fuel costs.

(Numbers may not add due to rounding)

THE PROJECT PARTICIPANTS

Description of the Participants

The Project has fifteen Participants, of which thirteen are currently purchasing capacity and energy from the Project. The thirteen active Participants in the Project are ten Florida municipal corporations, a utility board and two utility authorities. Among the economic factors important to the Participants are agriculture, tourism, retirement and light manufacturing. Each Participant owns and operates its own retail electric distribution system. During the

calendar year ended December 31, 2016, these systems sold in the aggregate approximately 5,720 GWh of electric services (including sales to other electric utilities), served approximately 253,369 customer accounts, and incurred a coincident peak demand of approximately 1,268 MW.

For a discussion of the status of Starke, Vero Beach. Lake Worth, Fort Meade, Green Cove Springs, KUA and Key West, see "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

As set forth in APPENDIX A hereto, the Participants in the Project are also participants in various other projects of FMPA. See "OTHER FMPA PROJECTS."

Major Participants' Historical Net Energy Requirements and Peak Demand

The following table summarizes the historical net energy requirements and aggregate non-coincident peak demand of the four Major Participants. See "INTRODUCTION – The Major Participants."

MAJOR PARTICIPANTS'
HISTORICAL NET ENERGY REQUIREMENTS AND PEAK DEMAND
By Fiscal Year
(ending September 30)

Net Energy Requirements (GWh)
(for native load)

Fiscal Year	Jacksonville Beach	Key West*	KUA*	Ocala
2012	721	745	1,386	1,231
2013	767	738	1,400	1,238
2014	734	770	1,445	1,263
2015	739	780	1,508	1,295
2016	757	800	1,586	1,337

*See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Non-Coincident Peak Demand (MW)

Fiscal Year	Jacksonville Beach	Key West*	KUA*	Ocala
2012	171	137	310	265
2013	168	136	314	276
2014	192	144	327	285
2015	195	147	335	287
2016	196	148	354	295

*See "THE POWER SUPPLY CONTRACTS – Elections of Certain Participants."

Major Participants

APPENDIX B contains certain information about the Major Participants in the Project.

OTHER FMPA PROJECTS

Introduction

In addition to the Project, FMPA has four other power supply projects ("Other Projects") in which various Members (including some or all of the Participants) participate – Stanton Project, Stanton II Project, St. Lucie Project and Tri-City Project.

Each Other Project has been financed by FMPA through senior and, in some cases, subordinated debt. All debt for a particular Other Project has been issued under various resolutions of FMPA that are applicable only to that Other Project. All debt incurred for a particular Other Project is secured only by the revenues of that Other Project. Therefore, the revenues of a particular Other Project are not security for the FMPA debt issued for the Project or for all Other Projects.

In the case of the Stanton, Stanton II, St. Lucie and Tri-City Projects Power Sales Contracts and Project Support Contracts, the obligation of a Participant for its share of the costs of an Other Project under the Power Sales Contract for that Other Project is payable solely from the Participant's electric or integrated utility system revenues and are operating expenses of such system, payable on a parity with the system's operation and maintenance expenses and before debt service on the system's senior and subordinated debt. Payment by a Participant of its share of the costs of an Other Project under the Project Support Contract for an Other Project will be made only after payment of all of its system's current operating and maintenance expenses and debt service on the system's senior and subordinated debt.

The following is a brief description of each of the Other Projects. APPENDIX A describes each Member's participation in any FMPA Project.

Stanton Project

The Stanton Project consists of a 14.8193% undivided ownership interest of FMPA in Stanton Unit No. 1. Stanton Unit No. 1 is one of the two-unit coal fired electric generators at the Stanton Energy Center. Stanton Unit No. 1 was constructed, and is operated, by OUC. Power from the Stanton Project is transmitted to the Stanton Participants utilizing the transmission systems of OUC and FPL under the respective contracts with each system. The FPL transmission for the Stanton Project Participants that also participate in the Project (Fort Pierce and Starke) is included in the All-Requirements Power Supply Project Network Transmission Service Agreement with FPL which terminates in 2026. Vero Beach's and Lake Worth's power from the Stanton Project is delivered to the transmission interface between OUC, FPL and DEF and is considered delivered to the respective participants by the Stanton Project at that point. Vero Beach and Lake Worth have separately acquired Network Integration Transmission Service from FPL for delivery from the OUC/FPL interface to Vero Beach and Lake Worth, respectively. The remaining Stanton Project Participant in FPL's territory (Homestead) receives its transmission service under the Transmission Service Agreement between FMPA and FPL which terminates upon the earlier of retirement of Stanton Unit No. 1 or December 31, 2026. The transmission agreement with OUC expires on the earlier of retirement of Stanton Unit No. 1 or June 2027.

In addition to the ownership of FMPA in Stanton Unit No. 1 representing FMPA's Stanton Project, the other co-owners of undivided ownership interests in Stanton Unit No. 1 are (i) OUC, which owns 68.5542%, (ii) FMPA, which owns 5.3012% as part of the Tri-City Project discussed below, (iii) FMPA, which owns 6.506% as part of the Project, and (iv) KUA, which owns 4.8193%.

As of June 1, 2017, FMPA had outstanding $24,955,000 of senior bonds and $301,000 of subordinated debt issued for the Stanton Project, the final maturity of which is October 1, 2019.

All debt of FMPA issued for the Stanton Project is payable from amounts payable by the participants in the Stanton Project under power sales contracts and project support contracts of the type described above under "OTHER FMPA PROJECTS – Introduction." Each participant in the Stanton Project is responsible under its power sales contract and project support contract for the costs of the Stanton Project in the amount of its participation share in the Stanton Project as shown on APPENDIX A subject to applicable step-up provisions.

Stanton Unit No. 1 began commercial operation on July 1, 1987. For the last five fiscal years, the availability factor has ranged from a low of 61.9% in 2016 to a high of 90.6% in 2015. For the last five fiscal years, Stanton Project power costs to its participants have ranged from approximately 9.6 to 13.2 cents per kWh, and were 14.2 cents per kWh for fiscal year 2016.

The determination to retire Stanton Unit No. 1 will be made by OUC; provided, however, that no determination to retire Stanton Unit No. 1 during the first 30 years of its commercial operation (which period ends July 1, 2017) is effective without approval of both OUC and FMPA so long as each owns an undivided interest in Stanton Unit No. 1.

Other than the bonds issued with respect to any refunding relating to the Stanton Project and as described under "THE PROJECT – Project Generating Facilities Owned by FMPA – Stanton Units," FMPA has no present intention to issue any additional debt for the Stanton Project.

Stanton II Project

The Stanton II Project consists of a 23.2367% undivided ownership interest of FMPA in the Stanton Energy Unit No. 2. Stanton Unit No. 2 is the second of the two-unit coal fired electric generators at the Stanton Energy Center of OUC. Stanton Unit No. 2 was constructed, and is operated by, OUC. Power from the Stanton II Project is transmitted to the participants utilizing the transmission systems of OUC, FPL and DEF under the respective contracts with each system. The FPL transmission for the Stanton II Project Participants that also participate in the Project (Fort Pierce, Key West, and Starke) is included in the All-Requirements Power Supply Project Network Transmission Service Agreement with FPL which terminates in 2026. Vero Beach's power from the Stanton II Project is delivered to the transmission interface between OUC and FPL and is considered delivered to Vero Beach by the Stanton II Project at that point. Vero Beach has separately acquired Network Integration Transmission Service from FPL for delivery from the OUC/FPL interface to Vero Beach. The remaining Stanton II Project Participant in FPL's territory (Homestead) receives its transmission service under the Transmission Service Agreement between FMPA and FPL which terminates upon the earlier of retirement of Stanton Unit No. 2 or December 31, 2032. The transmission agreement with OUC expires on the earlier of retirement of Stanton Unit No. 2 or June 2036.

In addition to the ownership of FMPA in Stanton Unit No. 2 representing FMPA's Stanton II Project, the other co-owners of undivided ownership interests in Stanton Unit No. 2 are (i) OUC, which owns 71.5909%, and (ii) FMPA, which also owns 5.1724% as part of the Project.

As of June 1, 2017, FMPA had outstanding $131,740,000 of senior bonds and $472,000 of subordinated debt issued for the Stanton II Project, the final maturity of which is October 1, 2027.

All debt of FMPA issued for the Stanton II Project is payable from amounts payable by the participants in the Stanton II Project under power sales contracts and project support contracts of the type described above under "OTHER FMPA PROJECTS – Introduction." Each participant in the Stanton II Project is responsible under its power sales contract and project support contract for the costs of the Stanton II Project in the amount of its participation share in the Stanton Project as shown on APPENDIX A.

Stanton Unit No. 2 began commercial operation on June 1, 1996. For the last five fiscal years, the availability factor has ranged from a low of 85.3% in 2014 to a high of 92.1% in 2012. For the last five fiscal years, Stanton II Project power costs to its participants have ranged from approximately 9.6 to 13.2 cents per kWh, and were 14.2 cents per kWh for fiscal year 2016.

Other than the bonds issued with respect to any refunding relating to the Stanton II Project, FMPA has no present intention to issue any additional debt for the Stanton II Project. To the extent that additional funds are needed for capital expenditures for the Stanton II Project, FMPA expects that it would issue bonds or seek bank financing.

St. Lucie Project

The St. Lucie Project consists of an 8.806% undivided ownership interest of FMPA in St. Lucie Unit No. 2, a pressurized water nuclear generating unit with a summer seasonal net capacity of approximately 984 MW ("St. Lucie Unit No. 2"). St. Lucie Unit No. 2 is part of FPL's two-unit nuclear generating station located in St. Lucie County, Florida. St. Lucie Unit No. 2 was constructed and is operated by FPL.

In addition to St. Lucie Unit No. 2, FPL also owns and operates, as part of the St. Lucie nuclear generating station, the St. Lucie Unit No. 1 pressurized water nuclear electric generating unit which has a summer net capacity of approximately 978 MW ("St. Lucie No. 1"). St. Lucie Units No. 1 and 2 are similar units.

The St. Lucie Project also is party to a Reliability Exchange between FMPA and FPL under which FMPA exchanges with FPL 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from St. Lucie Unit No. 1 in order to provide output when St. Lucie Unit No. 2 is out of service. The result of this exchange is that if St. Lucie Unit No. 2 is out of service, FMPA obtains 50% of its entitlement from St. Lucie Unit No. 1, and if St. Lucie

Unit No. 1 is out of service 50% of FMPA's entitlement from St. Lucie Unit No. 2 is provided to FPL. The Reliability Exchange expires on the earlier of (a) the retirement of St. Lucie Units No. 1 and No. 2, and (b) October 1, 2017. FMPA staff and FPL have agreed to the terms of an extension of the Reliability Exchange beyond its current expiration date; however, such extension is subject to approval by FMPA's Board of Directors and FPL management. Such approvals, if obtained, are expected before October 1, 2017.

St. Lucie Unit No. 2 began commercial operation in August 1983. The capacity factor has averaged 83.5% since that time. For the last five fiscal years, the capacity factor has ranged from a low of 80.6% in 2012 (due, in part, to an extended refueling outage related to an extended power uprate project), to a high of 92.5% in 2016. For the last five fiscal years, St. Lucie Project power costs to its participants have ranged from approximately 7.0 cents to 10.1 cents per kWh, and were 8.0 cents per kWh for fiscal year 2016.

In addition to the ownership of FMPA in St. Lucie Unit No. 2 representing FMPA's St. Lucie Project, the other co-owners of undivided ownership interests in St. Lucie Unit No. 2 are (i) FPL, which owns 85.10449% and (ii) OUC, which owns 6.08951%.

The term of the operating licenses for St. Lucie Unit No. 1 and St. Lucie Unit No. 2 are currently scheduled to expire in 2036 and 2043, respectively, as the result of the Nuclear Regulatory Commission ("NRC") granting 20-year operating license renewals for each unit. FPL has indicated that it plans to operate into the extended license periods and that it will periodically review the prudence and economics of continued operations. FMPA may issue bonds relating to the St. Lucie Project to finance its portion of the costs associated with the extension.

In 2012, a project to increase the electrical generating capacity of St. Lucie Units No. 1 and No. 2 (the "Extended Power Uprate Project") was completed. The Extended Power Uprate Project increased the capacity owned by FMPA through the St. Lucie Project by approximately 13 MW.

FMPA has contracts with FPL and OUC to transmit power and energy from St. Lucie Units No. 1 and No. 2 to the participants in the St. Lucie Project. During 2016, the transmission contract with FPL was amended to extend the agreement beyond its original expiration date of October 1, 2017. The amended transmission contract with FPL expires on October 1, 2042, unless terminated earlier upon mutual agreement of the parties or upon the retirement of St. Lucie Unit No. 2. The transmission contract with OUC ends in 2023 or such earlier time as FMPA is no longer entitled to receive output from the St. Lucie Project.

FPL is responsible for obtaining the fuel for both St. Lucie Units No. 2 and No. 1.

FPL supplements wet storage of spent fuel assemblies for St. Lucie with a dry storage process utilizing dry storage containers encased in concrete. This process extends FPL's capability to store spent fuel indefinitely.

As of June 1, 2017, FMPA had outstanding $314,305,000 of senior bonds issued for the St. Lucie Project, the final maturity of which is October 1, 2026, and $0 of subordinated debt issued for the St. Lucie Project. As of March 31, 2017, FMPA had on deposit securities with a maturity value on October 1, 2026 of approximately $246.4 million, which FMPA anticipates will be used, together with other available funds, to retire the senior bonds issued for the St. Lucie Project on or before October 1, 2026.

All debt of FMPA issued for the St. Lucie Project is payable from amounts payable by the participants in the St. Lucie Project under power sales contracts and project support contracts of the type described above under "OTHER FMPA PROJECTS – Introduction." Each participant in the St. Lucie Project is responsible under its power sales contract and project support contract for the costs of the St. Lucie Project in the amount of its participation share in the St. Lucie Project as shown in APPENDIX A.

Tri-City Project

The Tri-City Project consists of a 5.3012% undivided ownership interest of FMPA in Stanton Unit No. 1. FMPA has contracts with both OUC and FPL to transmit the power and energy from Stanton Unit No. 1 to the participants in the Tri-City Project. See "OTHER FMPA PROJECTS – Stanton Project" above for a further discussion of Stanton Unit No. 1.

As of June 1, 2017, FMPA had outstanding $9,545,000 of senior bonds and $108,000 of subordinated debt issued for the Tri-City Project, the final maturity of which is October 1, 2019.

All debt of FMPA issued for the Tri-City Project is payable from amounts payable by the participants in the Tri-City Project under power sales contracts and project support contracts of the type described above under "OTHER FMPA PROJECTS – Introduction." Each participant in the Tri-City Project is responsible under its power sales contract and project support contract for the costs of the Tri-City Project in the amount of its participation share in the Tri-City Project as shown on APPENDIX A.

For the last five fiscal years, Tri-City Project power costs to its participants have ranged from approximately 9.1 cents to 14.6 cents per kWh, and were 14.8 cents per kWh for fiscal year 2016.

To the extent funds are needed for capital expenditures for the Tri-City Project, FMPA expects that it would issue bonds or seek bank financing.

Environmental and Operational Compliance – Other Projects

FMPA believes that each of the Other Projects' power generating resources is well maintained and is in substantial compliance with all current environmental laws and operating permits. FMPA has budgeted capital and operating costs, based on current legal requirements and future requirements that are known and understood. Additional costs may arise from new statutes or changing regulations that cannot currently be predicted and could range from minimal to significant. See "ENVIRONMENTAL REGULATION."

Future Power Supply and Operations

In the future, FMPA may pursue additional power supply alternatives which, if shown to be economically feasible, will be made available to the membership. Power supply alternatives are examined by FMPA to determine if the resource can be competitive with other resources available to the members or if there is some unique feature which justifies further study. A detailed engineering feasibility study is made for those projects which pass this initial screening process. Upon completion of the detailed study, the project is offered to those members of FMPA not participating in the Project, who make individual participation decisions and/or to the Project where a decision to participate is made by a majority of the Project members.

STATE REGULATORY OVERSIGHT

In general, the rates of municipal electric utilities in Florida, including the Participants, are established by the governing bodies of such utilities. Under Chapter 366, Florida Statutes, the PSC has jurisdiction over municipal electric utilities to prescribe uniform systems and classifications of accounts, to require electric power conservation and reliability, to establish rules and regulations regarding cogeneration, to approve territorial agreements, to resolve territorial disputes, to prescribe rate structures and to prescribe and require the periodic filing of reports and other data. Pursuant to the rules of the PSC, rate structure is defined as "... the classification system used in justifying different rates between various customer classes." However, the PSC and the Florida Supreme Court have determined that, except as to rate structure, the PSC does not have jurisdiction over municipal electric utility rates, including those of the Participants. The PSC has not asserted any jurisdiction over the rates or rate structure of FMPA. The PSC also has the authority to determine the need for certain new transmission and generation facilities.

In 2014, the Office of the Florida Auditor General performed an operational audit of FMPA, as defined in section 11.45(l)(g), Florida Statutes. The objectives of this type of audit are, in general, to evaluate management's performance in establishing and maintaining internal controls, including controls designed to detect fraud, waste and abuse, as well as to evaluate management's performance in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts and other guidelines. The final report, along with FMPA's response, is available at http://www.myflorida.com/audgen/pages/pdf_files/2015-165.pdf. The final report is not incorporated by reference herein and is not a part of this Official Statement.

The Auditor General's final report contained fifteen findings, five of which only concern the Project. FMPA subsequently addressed every audit finding and hired an independent consultant to advise it on two findings regarding natural gas hedging and implementation of the withdrawal provisions of section 29 of the Power Supply Contracts. The final consultant's report was presented to the Executive Committee in December 2015, and all follow-up work was completed by FMPA by August 2016.

During most years from 2008 to 2016, FMPA or its members faced adverse legislative proposals in each annual session of Florida's Legislature. Most of these adverse legislative efforts were related to efforts by certain

Vero Beach customers to attempt to force FMPA to grant Vero Beach contractual concessions for the benefit only of Vero Beach customers. Much of this legislation was sponsored by then-Representative Debbie Mayfield. No such adverse legislation was filed in the 2017 Legislative Session, which ended on May 8, 2017.

However, on February 16, 2017, now-Senator Debbie Mayfield requested the Joint Legislative Auditing Committee of the Florida Legislature to authorize a study of FMPA by the Legislature's Office of Program Policy Analysis and Government Accountability ("OPPAGA"). Senator Mayfield is the chair of the Joint Legislative Auditing Committee for the 2017 Legislative Session. The study is to begin October 1, 2017, and must address specifically these nine matters:

(a) Determine the extent to which the conditions recited in the Interlocal Agreement creating FMPA as justification for the creation of FMPA remain present.

(b) Evaluate the feasibility of FMPA being regulated by the Florida Public Service Commission and recommend a process for bringing FMPA within such regulation.

(c) Evaluate the potential impacts of the orderly sale of FMPA's interest in power generation assets, including the impact of such a sale on FMPA's debt structure, and the wholesale and retail power markets in Florida.

(d) Evaluate FMPA's actions in response to the 2015 report of FMPA by the Florida Auditor General, including any remedial or corrective actions taken by FMPA and the effectiveness of the same.

(e) Evaluate the feasibility and costs of a municipality terminating its FMPA membership and make recommendations for legislative or other action that could reduce those costs.

(f) Evaluate the feasibility of the orderly dissolution and liquidation of FMPA and recommend a process effectuating the same and providing for the protection of bondholders and other private contractual interests.

(g) Identify and evaluate FMPA's wholesale rates as compared to the wholesale rates of Florida's investor-owned utilities.

(h) Identify the benefits of FMPA's programs unrelated to the power generation (e.g. training) and whether such programs can be more efficiently provided by others.

(i) Evaluate FMPA's fuel hedging practices.

CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

General

Several notable factors currently affect the electric utility industry, including increasing competition and related regulatory changes, financial difficulties faced by certain industry participants, and increasing costs of complying with environmental and other regulations. Public power utilities also are affected by factors related to their ability to issue tax-exempt obligations and restrictions on the ability to sell, to non-governmental entities, power and energy from generation projects that are financed with outstanding, tax-exempt debt. FMPA and its members, including the Participants, also could be adversely affected by technological or market developments that change the relative costs of the electric power and energy that FMPA provides to the Participants in comparison with the costs of electric power and energy that is available from other utilities in Florida. FMPA cannot predict what effects these factors will have on the business, operations and financial condition of FMPA or the Participants, but the effects could be significant.

The following sections provide brief discussions of certain of these factors. These discussions do not purport to be comprehensive or definitive, and these matters are subject to change after the date of this Official Statement. Extensive information on the electric utility industry is available from legislative and regulatory bodies and other sources in the public domain.

Energy Policy Act of 1992

The Energy Policy Act of 1992 (the "Energy Policy Act") made fundamental changes to federal regulation of the electric utility industry, particularly in the area of transmission access. The purpose of the changes was, in part, to bring about increased wholesale electric competition. The Energy Policy Act authorized FERC – upon application by an electric utility, federal power marketing agency, or other power generator – to require a transmitting utility to provide transmission services to the applicant on a cost-of-service basis. Municipally-owned electric utilities are "transmitting utilities" for this purpose. At this time, FERC does not have the authority to require "retail wheeling," under which a distribution customer of one utility could purchase electricity from another utility or from a non-utility power generator.

In addition to providing for transmission access, the Energy Policy Act required states and utilities to consider adopting integrated resource planning ("IRP"), which allows utility investments in conservation and other demand-side management techniques to be at least as profitable as supply investments. The PSC statutory and regulatory requirements do not specifically subject utilities in Florida to IRP, but when taken together equate to an IRP requirement. The most recent IRP was completed in February 2015. See "THE PROJECT–Future Power Supply." The Energy Policy Act also established new efficiency standards in industrial and commercial equipment and lighting and required states to establish commercial and residential building codes with energy efficiency standards. Energy efficiency must also be included in utilities' IRPs.

FERC Transmission Initiatives

On April 24, 1996, FERC issued two rules on transmission access. Order No. 888 required all FERC-jurisdictional utilities to provide transmission service on a non-discriminatory basis. As part of Order No. 888, FERC established a *pro forma* Open Access Transmission Tariff ("OATT"). Order No. 889 established the rules of conduct for open-access providers, including a requirement to separate operationally power sales from transmission. Municipally-owned electric utilities, including FMPA and the Participants, are not subject to FERC jurisdiction under these orders but may be denied transmission service by a FERC-jurisdictional utility if FMPA and the Participants do not offer comparable transmission services. To meet this "reciprocity" requirement, FMPA offers transmission service through a tariff that is comparable to FERC's pro forma OATT.

2005 Energy Policy Act

The 2005 Energy Policy Act was enacted on August 8, 2005. Among other things, the 2005 Energy Policy Act: (a) authorizes FERC to require non-FERC jurisdictional utilities (including FMPA) to provide open access to their transmission systems and to comply with certain rate change provisions of section 205 of the FPA; (b) authorizes FERC to order refunds for certain short-term, wholesale sales by state and municipal power entities (including FMPA) if such sales violate FERC-approved tariffs or FERC rules; (c) allows load-serving entities that hold certain firm transmission rights to continue to use those rights to serve their customers; (d) provides for the establishment of a national electric reliability organization ("ERO") to develop and enforce, subject to FERC's oversight, mandatory reliability standards for operation of the transmission grid; I prohibits market manipulation and submission of false information and expands civil and criminal penalties for violation of the FPA; (f) gives FERC certain authority to issue construction permits for transmission projects that are to be located in "national interest electric transmission corridors" (to be designated by the Department of Energy); (g) eliminates certain ownership restrictions on qualifying cogeneration and small power production facilities under section 210 of the Public Utility Regulatory Policies Act ("PURPA") and authorizes FERC to eliminate prospectively utilities' obligation to purchase from these qualifying facilities; (h) requires state utility regulatory commissions and "non-regulated electric utilities" to consider adopting certain standards on net metering, fuel diversity, fossil fuel plant diversity, certain metering and time-based rate schedules and demand response, and interconnection with distributed generation facilities[*]; (i) replaces regulation of utility holding companies under the Public Utility Holding Company Act of 1935 with more limited oversight of such companies; (j) increases FERC's authority to review mergers of public utility companies; and (k) directs FERC to establish, for transmission companies whose rates are regulated by FERC, rate incentives to invest in transmission.

[*] FMPA is exempt from these requirements of PURPA because FMPA sells power only at the wholesale level and does not sell power at the retail level.

FERC's implementation of the 2005 Energy Policy Act includes: transmission pricing reform and issuance of rules on the construction of transmission facilities in national interest corridors. Three other, notable implementation efforts are as follows:

First, in February 2007, FERC issued Order No. 890 to reform the *pro forma* OATT. Order No. 890 reaffirmed many elements of Order No. 888, including: (a) the comparability requirement under which a transmission owner must provide, to third-party users, service that is comparable to the transmission owner's use of its system; (b) protections for native load customers; and (c) the reciprocity requirement for non-jurisdictional transmission owners, which include FMPA. Order No. 890's reforms include: (a) greater consistency and transparency in calculating available transmission capacity; (b) open, coordinated and transparent planning; (c) reforms of penalties for energy imbalances; (d) reform of FERC's policy on rollover rights; and I increased transparency and customer access to information.

All public utilities, including RTOs and Independent System Operators ("ISO"), must file revisions to their OATT to conform to Order No. 890. As a non-public (non-jurisdictional) utility, FMPA is not required to file an OATT with FERC. However, in order to satisfy the reciprocity requirement, FMPA is developing an OATT that is based on the *pro forma* OATT and conforms with Order No. 890. FMPA has participated in recent joint transmission planning efforts that were conducted by the Florida Regional Coordinating Council ("FRCC") to address the need for new transmission facilities in the Central Florida region. FMPA plans to participate in the transmission planning processes that were called for in Order No. 890 to the extent provided for by the transmission owning utilities in Florida.

Second, in March 2007, FERC issued Order No. 693 to provide for the development of mandatory, national and regional reliability standards. The standards apply to all users, owners and operators of the bulk-power system in the United States (other than Alaska or Hawaii), including FMPA. FERC certified the NERC as the ERO and several regional entities to develop and enforce the standards. The first set of mandatory, national reliability standards took effect on June 18, 2007. FRCC is one of the regional entities that is responsible for monitoring and enforcing compliance with approved reliability standards. FMPA has been registered with the FRCC since May 29, 2007 and has programs in place to ensure that it meets the standards. FMPA also provides assistance to certain of its members regarding compliance with the standards.

During a 2009 compliance audit, FRCC found that FMPA had violated certain reliability standards by failing to establish facility rating for its breakers at its Treasure Coast Energy Center. On November 17, 2010, FMPA and FRCC executed a settlement agreement related to these violations. FRCC determined that the violations were not a serious or substantial risk to the bulk power system. The settlement agreement requires FMPA to pay a $13,600 penalty and follow certain mitigation and remediation plans. FERC approved the settlement agreement on December 30, 2010. FMPA completed the required mitigation actions and preventative measures. FMPA has had no fineable reliability standards violations since.

Third, in July 2011, FERC issued Order No. 1000 to build on certain of its reforms in Order No. 888 and Order No. 890. Order No. 1000's requirements apply only to "new transmission facilities" and include: (a) the consideration and evaluation of possible transmission alternatives at a regional transmission planning level and the development of a regional transmission plan; (b) the development of procedures for interregional planning to determine whether interregional transmission facilities are more efficient or cost effective than certain regional facilities; (c) the development of methods for regional and interregional cost allocation that is roughly commensurate with the estimated benefits; and (d) for those projects eligible for cost sharing, removal of transmission providers' "right of first refusal" in order to allow competition from nonincumbent developers.

All public utility transmission providers are required to make compliance filings on regional planning and cost allocation within 12 months of the effective date and on interregional planning and cost allocation within 18 months of the effective date. In general, Order No. 1000 permits each region to develop its own processes and procedures to comply with the requirements. FRCC hosted a stakeholder process to discuss proposals for compliance with Order No. 1000, and the Florida transmission providers submitted initial compliance filings with FERC in October 2012. On three occasions, FERC partially accepted and partially rejected the transmission providers' compliance filings, and directed them to refile. The Florida utilities' response to Order No. 1000 was approved by FERC in August 2015, and the process has since been implemented by FRCC. To date, the Order No. 1000 process has not resulted in any negative consequences to FMPA or the Participants.

Fresh Water Supplies

Unprecedented increases in demand for fresh water supply in Florida has had an effect on the electric utility industry, as the regulating agencies develop programs and activities to address local and regional water resource planning. Electric generators will continue to be required to consider utilization of more expensive alternative sources of water and to limit consumptive use of the state's water resources.

ENVIRONMENTAL REGULATION

FMPA's electric utility operations are subject to extensive environmental regulation. Federal, state, regional and local standards and procedures regulate the environmental impact of FMPA's various projects and facilities. These regulations are complex and constantly changing. Consequently, there is no assurance that FMPA's operations will remain subject to the regulations currently in effect, will always be in compliance with future regulations or will always be able to obtain all required operating permits. Compliance with environmental standards is expensive, and difficulties in complying with environmental regulations and permits or changing requirements can increase FMPA's costs of construction, maintenance, refurbishment and operation. The failure to comply or to invest adequately to maintain compliance can result in the curtailment or complete shutdown of individual electric generating units and/or in the imposition of civil and/or criminal penalties. FMPA cannot predict at this time whether changes to existing legislation, regulations or permits will be enacted or promulgated in a form that will affect FMPA's operations, or the costs that might be incurred if such changes are enacted or promulgated in the future. The regulations with the greatest potential to affect FMPA's operations relate to air pollution controls, greenhouse gas emissions and waste management.

Air Pollution Prevention and Control

FMPA's operations are subject to a wide range of regulations governing emissions of air pollutants and pollution control requirements. In addition to regulating conventional contaminants, such as nitrogen oxides ("NO_X"), sulfur dioxide ("SO_2"), ozone, and fine particulate matter ("PM2.5"), existing state and federal regulations impose permitting and pollution control requirements to assess and reduce emissions of carbon dioxide ("CO_2"), in connection with the construction of new, major stationary sources or significant modifications of such sources. In addition, various programs impose new regulation upon existing major stationary sources, including fossil fuel-fired electricity generating units.

New Source Review. EPA and states regularly pursue New Source Review ("NSR") enforcement actions for certain modifications made in the past to air emission units without prior approval under NSR requirements. Additionally, private citizens can bring citizen lawsuits to enforce NSR requirements. If modifications conducted at facilities in the past were, or in the future are, significant modifications made without NSR, such modifications may result in enforcement action or citizen suits; including possible enforcement for routine maintenance, repair and replacement events that may trigger NSR. FMPA and OUC have not made and have no plans to make any modifications that trigger NSR and have not received any communication from EPA, the state, or private citizens regarding possible NSR violations.

Acid Rain Program. EPA's acid rain program requires nationwide reductions of SO_2 and NO_X emissions from electric utility generating units by allocating emission allowances to power plants based on historical or calculated levels. Both SO_2 and NO_X emissions were "capped," and allowances were allocated at levels that declined over time to reduce overall emissions. New and existing FMPA facilities must operate in compliance with these requirements. While there are costs associated with such compliance, FMPA has budgeted for such compliance activities and does not anticipate any unexpected acid rain program compliance issues or costs.

Cross-State Air Pollution Rule. On July 6, 2011, EPA finalized the Cross-State Air Pollution Rule ("CSAPR") to regulate interstate impacts of SO_2 and NO_X. CSAPR originally required a total of 28 states, plus the District of Columbia to reduce annual SO_2 emissions, annual NO_X emissions and/or ozone season NO_X emissions to assist in attaining the 1997 ozone and fine particle and 2006 fine particle National Ambient Air Quality Standards ("NAAQS"). CSAPR became effective on January 1, 2015, for SO_2 and annual NO_X, and May 1, 2015, with respect to seasonal NO_X requirements. The state of Florida was initially subject to seasonal ozone requirements (May 1 through September 30) under CSAPR rule. FMPA and OUC consistently operated in compliance with CSAPR seasonal ozone requirements.

On September 7, 2016, EPA released a final CSAPR Update Rule incorporating the requirements of 2008 ozone NAAQS. EPA's updated modeling under this Rule indicated that the state of Florida does not contribute significantly to ozone air quality problems in downwind states, which means that Florida is not required to participate in CSAPR pursuant to the U.S. Supreme Court's decision in *EPA v. EME Homer City Generation, L.P.*, 572 U.S. __ (2014). As a result, the state of Florida has been removed from the CSAPR program, effective May 1, 2017. If CSAPR is reinstated in Florida on a future date as a result of updated modeling, FMPA and OUC will continue to operate in accordance with the updated rule.

Mercury and Air Toxics Standards. In 2012, EPA finalized a rule, called the Mercury and Air Toxics Standards ("MATS"), to reduce emissions of toxic air pollutants, including mercury, from electric generating facilities, and subsequently amended the rule in 2013 and 2014. The MATS set technology-based emission limitation standards for mercury and other toxic air pollutants, reflecting levels achieved by the best performing coal- and oil-fired electric generating units currently in operation. The final rule sets standards for all hazardous air pollutants emitted by coal- and oil-fired electric generating units with a capacity of 25 megawatts or greater.

In June 2015, the U.S. Supreme Court determined that EPA's rule did not properly consider costs in developing the MATS and directed EPA to address costs. In response to the Supreme Court's decision, on April 14, 2016, EPA issued a cost consideration and a final finding that it is appropriate and necessary to set standards for emissions of air toxics from coal-and oil-fired power plants. EPA's final finding has been challenged in the U.S. Court of Appeals for the District of Columbia. The Court of Appeals suspended proceedings in that challenge following an EPA request to delay the proceedings in light of the recent change in Administration.

The MATS rule, despite the legal proceedings, is still in effect as finalized, and applies to Stanton Units 1 and 2, which are currently in compliance with requirements for all pollutants under MATS.

Ozone National Ambient Air Quality Standards. On October 26, 2015, EPA published final rules establishing NAAQS for ground level ozone, strengthening the primary and secondary standards from 75 ppb to 70 ppb. EPA also finalized the extended ozone season in Florida, to a twelve-month, or annual, season. EPA will formally determine area designations for attainment and non-attainment by October 2017; however, current data provided by FDEP indicates that all areas of Florida will be in attainment with the revised standards.

EPA Regulatory Actions for Power Plants

On October 23, 2015, EPA published final performance standards for carbon emissions from new, modified and reconstructed electric generating units, establishing standards of performance for CO_2 emissions from these units. Since FMPA has no immediate plans to develop, modify or reconstruct any units, this rule is not currently applicable to FMPA. On the same date, EPA issued final guidelines for Existing Power Plants, called the Clean Power Plan (CPP), which requires states to regulate CO_2 emissions from existing fossil fuel-fired power plants. This rule requires Florida to achieve a CO_2 emissions rate reduction of 26 percent by 2030, with interim CO_2 reduction goals over the period of 2022 to 2029.

On February 9, 2016 the United States Supreme Court in a 5-4 decision blocked implementation of CPP pending a court challenge by 29 states, various corporations and industry groups.

On March 28, 2017, President Trump issued a broad Executive Order addressing United States climate change policy, directing EPA to immediately review the CPP and the performance standards for new, modified and reconstructed units. On the same date, EPA asked the U.S. Court of Appeals for the D.C. Circuit to hold in abeyance the challenges to the CPP and new unit standards; in response, on April 28, 2017, the D.C. Circuit Court issued an order holding the challenges in abeyance for 60 days, or until June 27, 2017. Following the expiration of this order, the Court may uphold the original CPP, remand the rule to EPA for further proceedings or impose an indefinite abeyance to allow EPA to take further administrative actions with respect to the CPP. Until the Court rules on the pending issues, the effects of the CPP upon FMPA cannot be estimated or predicted.

Aside from the proceedings before the Court of Appeals, EPA has publicly indicated that it will take action to substantially amend or repeal the CPP. It is therefore unlikely that the CPP, and the related carbon emissions standards for new, modified and reconstructed electric generating units, will survive EPA and judicial review intact. FMPA continues to actively monitor these activities and will engage in proceedings as necessary. FMPA remains well-positioned for compliance with CO_2-related emissions regulation, due to high reliance on Natural Gas Combined Cycle ("NGCC") generation. If the CPP survives, however, it is possible that mandated CO_2 emissions

goals would impose additional costs upon FMPA. The impact to operations will depend on the development and implementation of applicable regulations and available technologies and cannot be determined at this time.

Waste Management

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). CERCLA requires cleanup of sites from which there has been a release or threatened release of hazardous substances and authorizes the EPA to take any necessary response action at the locations of such releases. The operation of coal-based generating facilities produces coal ash and other wastes, which, if released on-site or disposed of inappropriately off-site, may result in liability for removal and cleanup, or the payment of damages.

Coal Ash. Coal-based generating facilities produce coal ash waste that requires disposal. In most cases, coal ash is disposed of in on-site landfills that require industrial solid waste permits, and the facility is responsible for the proper maintenance and monitoring of the landfill. On April 17, 2015, EPA published a final rule regulating the disposal of coal ash under subtitle D of RCRA. The coal ash rule requires OUC to ensure structural integrity of existing landfills, follow certain operating criteria, and install groundwater monitoring wells, and may also require the investigation and monitoring of releases from landfills. These requirements apply to the Stanton Units. OUC has evaluated the impact of the CCR Rule and has developed a compliance strategy.

Additional Environmental Issues

Cooling Water. EPA published Rule 316(b) for cooling water intake on August 15, 2014, and the rule became effective on October 14, 2014. Section 316(b) of the Clean Water Act requires EPA to issue regulations on the design and operation of cooling water intake structures in order to minimize adverse environmental impacts. The rule is applicable to sites subject to permitting requirements under the National Pollutant Discharge Elimination System ("NPDES") that withdraw cooling water from waters of the U.S. and have design intake flows greater than 2 MGD. The rule requires that the location, design, construction, and capacity of cooling water intake structures reflect the best technology available for minimizing adverse environmental impacts.

The Section 316(b) rule applies to St. Lucie Unit No. 2. FPL will be upgrading the plant intake velocity caps in the next few years at St. Lucie to address the impingement provisions of the rule. In addition, FPL will also perform extensive studies over the next several years to determine the extent of environmental impacts associated with the entrainment provisions of the rule. When the studies are completed, FPL, in conjunction with FDEP, will determine if any further compliance upgrades are warranted.

Effluent Guidelines. On November 3, 2015, EPA finalized a rule setting technology-based limits on the levels of toxic metals in wastewater discharge from power plants. The Effluent Limitations Guidelines and Standards ("ELGs") require that electric generating units adopt new control technologies, process changes, and internal controls to reduce toxic metals in wastewater. The ELGs were scheduled to be implemented starting in 2018; however, EPA administratively delayed implementation of the ELGs on April 13, 2017, to allow EPA time to reconsider the rule.

Litigation. Many of the issues raised by existing and proposed environmental regulations are the subject of frequent and pending litigation. Such litigation challenges the implementation of new rules, and can challenge the application of existing rules to specific situations or facilities. This litigation does not currently affect FMPA directly, but could have future effects upon permit requirements applicable to FMPA projects and indirectly upon project costs and operations.

Changing Legislation. Environmental requirements are driven by state and federal legislation. Such legislation can radically change the regulatory context in which FMPA operates, and can require increased capital or operating expenditures, or reduced operations, at existing and/or new generating facilities. Any such legislative changes are inherently impossible to predict with any certainty, particularly in the way they might apply to specific organizations or facilities, such as FMPA and its facilities. FMPA, through its lobbyists and participation in state and national advocacy groups, maintains awareness of legislative issues that may impact operations, participating in advocacy roles as warranted.

UNDERWRITING

J.P. Morgan Securities LLC is acting as the representative on behalf of itself and SunTrust Robinson Humphrey, Inc. (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2017A Bonds from FMPA at a purchase price of $85,857,981.90, representing the principal amount of the Series 2017A Bonds plus original issue premium of $16,595,245.05 and less an underwriting discount of $362,263.15, and all, but not less than all, of the Series 2017B Bonds from FMPA at a purchase price of $52,663,382.15, representing the principal amount of the Series 2017B Bonds less an underwriting discount of $261,617.85. The Offered Securities may be offered and sold to certain dealers (including dealers depositing the Offered Securities into investment trusts) and others at prices lower than such public offering price and such public offering price may be changed, from time to time, by the Underwriters.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Offered Securities, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Offered Securities from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Offered Securities that such firm sells.

SunTrust Robinson Humphrey, Inc. ("STRH"), one of the underwriters of the Offered Securities, has entered into an agreement (the "Distribution Agreement") with SunTrust Investment Services, Inc. ("STIS") for the retail distribution of certain municipal securities offerings, including the Offered Securities. Pursuant to the Distribution Agreement, STRH will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Offered Securities with STIS. STRH and STIS are both subsidiaries of SunTrust Banks, Inc. SunTrust Robinson Humphrey is the trade name for certain capital markets and investment banking services of SunTrust Banks and its subsidiaries.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, finance advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Agency for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Agency.

FINANCIAL ADVISOR

Dunlap & Associates, Inc., Winter Park, Florida, is FMPA's financial advisor for the Offered Securities. The financial advisor has provided FMPA advice on the plan of financing and reviewed the pricing of the Offered Securities. The financial advisor has not independently verified the information contained in this Official Statement and does not assume responsibility for the accuracy, completeness or fairness of such information. The financial advisor's fees for serving as financial advisor are not contingent upon the issuance of the Offered Securities.

LITIGATION

No litigation is pending or, to the knowledge of FMPA, threatened in any court to restrain or enjoin the issuance of any of the Offered Securities or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Offered Securities, or in any way contesting or affecting the validity of the Offered Securities or the Resolution or the power to collect and pledge revenues to pay the Offered Securities.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or owners of the Offered Securities upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United

States Code, the remedies specified by the federal bankruptcy code, the Resolution and the Offered Securities may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Offered Securities (including Bond Counsel's approving opinion) are qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

CREDIT RATINGS

Offered Securities

The Offered Securities are rated "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's") and "A+" (positive outlook) by Fitch Ratings ("Fitch").

General

The respective ratings and outlooks by Fitch and Moody's of the Offered Securities reflect only the views of such organizations and any desired explanation of the significance of such ratings and outlooks or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, Inc., One State Street Plaza, New York, New York 10004 and Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. FMPA has furnished to each rating agency rating the Offered Securities information, including information not included in this Official Statement, about FMPA and the Offered Securities. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings for the Offered Securities will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Those circumstances may include, among other things, changes in or unavailability of information relating to FMPA or the Offered Securities. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Offered Securities.

TAX MATTERS

The Series 2017A Bonds

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017A Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2017A Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2017A Bonds. Pursuant to the Resolution and the Tax Certificate executed in connection with the delivery of the Series 2017A Bonds, FMPA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2017A Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, FMPA has made certain representations and certifications in the Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by FMPA described above, interest on the Series 2017A Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2017A Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

Original Issue Premium

Series 2017A Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of

amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2017A Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2017A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2017A Bonds.

Interest paid on tax-exempt obligations such as the Series 2017A Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2017A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters other than those opinions attached as Appendix E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2017A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2017A Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Series 2017A Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2017A Bonds from gross income for Federal or state income tax purposes, or otherwise. In this regard, there have been various proposals in recent years that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Series 2017A Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2017A Bonds may occur. Prospective purchasers of the Series 2017A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2017A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2017A Bonds may affect the tax status of interest on the Series 2017A Bonds. Bond Counsel expresses no opinion as to any Federal, state or local tax law consequences with respect to the Series 2017A Bonds, or the interest thereon, if any action is taken with respect to the Series 2017A Bonds or the proceeds thereof upon the advice or approval of other counsel.

The Series 2017B Bonds

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2017B Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly

with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2017B Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2017B Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2017B Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2017B Bonds should consult their own tax advisors in determining the federal, state or, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2017B Bonds.

FMPA has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of Series 2017B Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2017B Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2017B Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of Series 2017B Bonds.

Generally

Interest on the Series 2017B Bonds is not excluded from gross income for federal income tax purposes under Code section 103 and so will be fully subject to federal income taxation. Purchasers (other than those who purchase Series 2017B Bonds in the initial offering at their principal amounts) will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2017B Bonds. In general, interest paid on the Series 2017B Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a Bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in the Series 2017B Bonds and capital gain to the extent of any excess received over such basis.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2017B Bonds issued with original issue discount ("Discount Series 2017B Bonds"). A Series 2017B Bond will be treated as having been issued at an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2017B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2017B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Discount Series 2017B Bond's "stated redemption price at maturity" is the total of all payments provided by the Discount Series 2017B Bond that are not payments of "qualified stated interest." Generally, the term

"qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Series 2017B Bond is the sum of the "daily portions" of original issue discount with respect to such Discount Series 2017B Bond for each day during the taxable year in which such holder held such Discount Series 2017B Bond. The daily portion of original issue discount on any Discount Series 2017B Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Series 2017B Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Series 2017B Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Series 2017B Bond at the beginning of any accrual period is the sum of the issue price of the Discount Series 2017B Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Series 2017B Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Discount Series 2017B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

Any owner who purchases a Series 2017B Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2017B Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner of a Series 2017B Bond who acquires such Series 2017B Bond at a market discount also may be required to defer, until the maturity date of such Series 2017B Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2017B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Series 2017B Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2017B Bond for the days during the taxable year on which the owner held the Series 2017B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2017B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Bondholder elects to include such market discount in income currently as described above.

Bond Premium

A holder of a Series 2017B Bond who purchases such Series 2017B Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2017B Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2017B Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Holders of any Series 2017B Bonds who acquire such Series 2017B Bonds at a premium should consult with their own tax advisors with respect to state and local tax consequences of owning such Series 2017B Bonds.

Surtax on Unearned Income

Recently enacted legislation generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates for taxable years beginning after December 31, 2012. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this legislation in their particular circumstances.

Sale or Redemption of Series 2017B Bonds

A Bondholder's adjusted tax basis for a Series 2017B Bond is the price such owner pays for the Series 2017B Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2017B Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2017B Bond, measured by the difference between the amount realized and the Bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2017B Bond is held as a capital asset (except in the case of Series 2017B Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of the Series 2017B Bonds are materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. The defeasance of the Series 2017B Bonds may also result in a deemed sale or exchange of such Series 2017B Bonds under certain circumstances.

EACH POTENTIAL HOLDER OF SERIES 2017B BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE OR REDEMPTION OF THE SERIES 2017B BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2017B BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Backup Withholding

For each calendar year in which the Series 2017B Bonds are outstanding, FMPA, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, FMPA, its agents or paying agents or a broker may be required to make "backup" withholding of tax on each payment of interest or principal on the Series 2017B Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by FMPA, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under "—Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither FMPA nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2017B Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following:

- a U.S. person;
- a controlled foreign corporation for U.S. tax purposes;
- a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or
- a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2017B Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2017B Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

Nonresident Bondowners

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2017B Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("FATCA"), payments of principal by FMPA or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10-percent or more of the voting equity interests of FMPA, (2) is not a controlled foreign corporation for United States tax purposes that is related to FMPA (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to FMPA, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Series 2017B Bonds must certify to FMPA or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue

discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide FMPA or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2017B Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2017B Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2017B Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2017B Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018 (see IRS Notice 2015-66), gross proceeds of the sale of the Series 2017B Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, Bondholders or beneficial owners of the Series 2017B Bonds shall have no recourse against FMPA, nor will FMPA be obligated to pay any additional amounts to "gross up" payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2017B Bonds.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2017B Bonds.

ERISA

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Additionally, such governmental and non-electing church plans are not subject to the requirements of Section 4975 of the Code. Accordingly, assets of such plans may be invested in the Series 2017B Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of applicable federal and state law.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties In Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are

expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; and (3) an employer or employee organization any of whose employees or members are covered by the plan. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available.

Certain transactions involving the purchase, holding or transfer of the Series 2017B Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of FMPA were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of FMPA would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code only if the Benefit Plan acquires an "equity interest" in FMPA and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Series 2017B Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2017B Bonds, including the reasonable expectation of purchasers of Series 2017B Bonds that the Series 2017B Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Series 2017B Bonds for ERISA purposes could change subsequent to issuance of the Series 2017B Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Series 2017B Bonds or a characterization of the Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Series 2017B Bonds or any interest therein by a Benefit Plan Investor is prohibited.

However without regard to whether the Series 2017B Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2017B Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if FMPA or the Issuing and Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2017B Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2017B Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2017B Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2017B Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2017B Bond (or interest therein) with the assets of a Benefit Plan Investor, governmental plan or church plan; or (ii) the acquisition and holding of the Series 2017B Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Benefit Plan Investors may not purchase the Series 2017B Bonds at any time that the ratings on the Series 2017B Bonds are below investment grade or the Series 2017B Bonds have been characterized as other than indebtedness for applicable local law purposes. A purchaser or transferee who acquires Series 2017B Bonds with assets of a Benefit Plan Investor represents that such purchaser or transferee has considered the fiduciary requirements of ERISA or other similar laws and has consulted with counsel with regard to the purchase or transfer.

Any ERISA Plan fiduciary considering whether to purchase the Series 2017B Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such in investment and the availability of any of

the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of any similar state or federal law.

APPROVAL OF LEGAL PROCEEDINGS

The issuance of the Offered Securities is subject to the approving opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, in substantially the form set forth in APPENDIX E attached hereto. Certain legal matters will be passed on for FMPA by Frederick M. Bryant, Esquire, its General Counsel, and for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

RELATIONSHIPS AMONG PARTIES

A portion of the proceeds of the Offered Securities will be used to pay Termination Payments in connection with terminating the Swap Agreements. J.P. Morgan Securities LLC, one of the Underwriters of the Offered Securities, is an affiliate of JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. JPMorgan Chase Bank, N.A. is a counterparty to a Swap Agreement which will be terminated and is expected to receive a Termination Payment in connection with the termination, and JPMorgan Chase & Co provides a guaranty for a Swap Agreement which will be terminated. JPMorgan Chase Bank, N.A. is also a counterparty to other interest rate swaps with FMPA and JPMorgan Chase & Co provides guaranties for other interest rate swaps with FMPA. JPMorgan Chase Bank, N.A.is also the lender under the JPMorgan Revolving Credit Agreement with FMPA.

A portion of the proceeds of the Offered Securities will be used to refund the outstanding Series 2011B Bonds. SunTrust Robinson Humphrey, Inc., one of the Underwriters of the Offered Securities, is an affiliate of Sun Trust Bank. The outstanding Series 2011B Bonds are held by Sun Trust Bank.

VALIDATION

Judicial validation was not required by law for the issuance of the Offered Securities, and the Offered Securities have not been validated.

FMPA FINANCIAL STATEMENTS

FMPA's Annual Audit Report for its fiscal year ended September 30, 2016, included in APPENDIX C to this Official Statement, has been audited by Purvis Gray & Company, independent certified accounts, as stated in the Annual Audit Report. The Annual Audit Report contains information (on both an individual and combining basis) about the Project and the Other Projects of FMPA. The revenues of each Other Project are not security for the obligations of the Project, and the revenues of the Project are not security for any Other Project. See "OTHER FMPA PROJECTS."

Purvis Gray & Company, FMPA's independent auditor has not reviewed, commented on or approved, and is not associated with, this Official Statement. The report of Purvis Gray & Company relating to the Annual Audit Report for the fiscal year ended September 30, 2016, which is a matter of public record, is included in this Official Statement. However, Purvis Gray & Company has not performed any procedures on any financial statements or other financial information of FMPA, including without limitation any of the information contained in this Official Statement, since the date of such report.

CONTINUING DISCLOSURE; ADDITIONAL FMPA INFORMATION

Under the Resolution, Bondholders may, upon written request to FMPA, receive copies of FMPA's annual audited financial statements. Bondholders also may inspect such materials during regular business hours at FMPA's offices upon such reasonable terms and conditions as FMPA may from time to time determine in its sole discretion. FMPA has committed to provide to Bondholders, upon request, copies of its annual audited financial statements, and other pertinent credit information, and has also committed to provide appropriate period credit information to the rating agencies which shall have rated FMPA securities.

FMPA has authorized and will execute a Continuing Disclosure Agreement (the "Undertaking") with respect to the Offered Securities to assist the Underwriters in complying with U.S. Securities and Exchange Commission Rule 15c2-12(b)(5). A summary of certain provisions of the Undertaking is included as APPENDIX G

hereto. The Undertaking will be for the benefit of the Holders of the Offered Securities, and the beneficial owners of the Offered Securities will be third-party beneficiaries thereof. Under the Undertaking, FMPA will be obligated to provide for itself and for the Major Participants financial information and operating data, financial statements, notice of certain events, and certain other notices with the MSRB's Electronic Municipal Market Access System. The execution of the Undertaking is a condition precedent to the obligation of the Underwriters to purchase the Offered Securities.

On two occasions one of the Major Participants in the Stanton and St. Lucie Projects did not timely provide information to the Agency, resulting in a late filing of that Participant's information by the Agency. In both cases, the Agency timely filed a notice with the MSRB's Electronic Municipal Market Access System regarding such Major Participant's failure to provide such information.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires FMPA to make a full and fair disclosure of any Offered Securities or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975. FMPA is not and has not been in default as to principal of and interest on Offered Securities or other debt obligations to which revenues of FMPA are pledged.

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MISCELLANEOUS

The references herein to the Resolution, the Interlocal Agreement, the Joint Power Act, the Florida Interlocal Cooperation Act, the Power Supply Contracts and the Capacity and Energy Sales Contracts are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and agreements for full and complete statements of such provisions. Copies of such documents are on file at the offices of FMPA and may be obtained upon request. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

FLORIDA MUNICIPAL POWER AGENCY

By: /s/ Howard McKinnon
Chairperson of the Executive Committee

By: /s/ Jacob A. Williams
General Manager and CEO

APPENDIX A

MEMBERS' PARTICIPATION IN FMPA PROJECTS[(1)(2)*]

Member	Stanton Project[(2)]		Stanton II Project[(2)]		St. Lucie Project		Tri-City Project		All Requirements Project[(3)]
	Entitlement Share (%)	MW	Entitlement Share (%)	MW	Entitlement Share (%)	MW	Entitlement Share (%)	MW	MW
City of Alachua	–	–	–	–	0.430%	0.4	–	–	–
City of Bushnell	–	–	–	–	–	–	–	–	6
City of Clewiston	–	–	–	–	2.202	1.9	–	–	26
City of Fort Meade	–	–	–	–	0.336	0.3	–	–	10
Fort Pierce Utilities Authority	24.390%	15.9	16.4887%	17.2	15.206	13.2	22.73%	5.3	112
City of Green Cove Springs	–	–	–	–	1.757	1.5	–	–	26
Town of Havana	–	–	–	–	–	–	–	–	6
City of Homestead	12.195	8.0	8.2443	8.6	8.269	7.2	22.727	5.3	–
City of Jacksonville Beach	–	–	–	–	7.329	6.3	–	–	178
Utility Board of the City of Key West	–	–	9.8932	10.3	–	–	54.546	12.7	147
Kissimmee Utility Authority	12.195	8.0	32.9774	34.5	9.405	8.1	–	–	354
City of Lake Worth	16.260	10.6	–	–	24.870	21.5	–	–	0[(4)]
City of Leesburg	–	–	–	–	2.326	2.0	–	–	111
City of Moore Haven	–	–	–	–	0.384	0.3	–	–	–
City of Newberry	–	–	–	–	0.184	0.2	–	–	9
Utilities Commission, City of New Smyrna Beach	–	–	–	–	9.884	8.6	–	–	–
City of Ocala	–	–	–	–	–	–	–	–	295
City of St. Cloud	–	–	14.6711	15.3	–	–	–	–	–
City of Starke	2.439	1.6	1.2366	1.3	2.215	1.9	–	–	16
City of Vero Beach	32.521	21.3	16.4887	17.2	15.202	13.2	–	–	0[(4)]
	100.00%	65.3	100.00%	104.4	100.00%	86.6	100.00%	23.3	1,296

* Numbers may not add due to rounding.

(1) The MWs shown for participants of the Stanton Project, Stanton II Project, and Tri-City Project are based on the current net summer capability as reported by OUC, the majority owner/operator to the Florida Public Service Commission in OUC's annual Ten-Year Site Plan.

(2) Power Entitlement Share means the percentage of Project Capability (the amount of net capacity and energy to which FMPA is entitled at any given point in time under the respective Participation Agreement, whether the unit is operating or not) that the Participant agrees to purchase from FMPA. Such amount is also provided here by MW purchased.

(3) Participants' non-coincident peak demand in the 2016 fiscal year served from the FMPA All-Requirements Power Supply Project ("ARP"). Includes demand served by excluded resources.

(4) The City of Vero Beach and the City of Lake Worth have elected to exercise the right to modify their All-Requirements Power Supply Project participation by implementation of a Contract Rate of Delivery ("CROD"), which pursuant to contract terms has been calculated as 0 MW. While they remain participants in the All-Requirements Power Supply Project, effective January 1, 2010 (for Vero Beach) and effective January 1, 2014 (for Lake Worth), they no longer purchase capacity and energy from the All-Requirements Power Supply Project and no longer have representatives on the Executive Committee.

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APPENDIX B

THE MAJOR PARTICIPANTS

Appendix B presents certain information for the Major Participants which was collected and compiled by FMPA from data supplied by each of the Major Participants. Major Participants in the all-Requirements Power Supply Project are defined as City of Jacksonville Beach, Utility Board of the City of Key West, Florida, Kissimmee Utility Authority and City of Ocala. Text descriptions were developed with each of the Major Participant's representatives; statistical facts were extracted from records regularly maintained by each of the Major Participants; and historical financial data was summarized from each Major Participant's independent certified audits. While FMPA makes no representations as to the adequacy or accuracy of the information contained in this Appendix B, it believes such information to be reliable.

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CITY OF JACKSONVILLE BEACH

General

The City of Jacksonville Beach ("Jacksonville Beach") is located in Duval County approximately 18 miles east of Jacksonville. Jacksonville Beach operates under the Council/Manager form of government.

The City of Jacksonville Beach operates and maintains electric, natural gas, water and wastewater utility operations. As a matter of policy, revenue financing combines the resources of all utility operations; thus, these utility services are integrated and revenues from all services are available to make payments under the All-Requirements Power Supply Contract. As the Chief Administrative Officer, the City Manager appoints the Director of Electric Utilities.

Jacksonville Beach is a residential and commercial community whose citizens, for the most part, work in the metropolitan Jacksonville area. Additionally, Jacksonville Beach is a major recreation area for the people of Duval County, Florida.

Electric Utility System

Jacksonville Beach entered into an All-Requirements Power Supply Project Contract with FMPA and became a full requirements customer of FMPA on May 1, 1986. Excluded Power Supply Resources for Jacksonville Beach are its entitlement share in FMPA's St. Lucie Project (which is 7.329% of FMPA's ownership portion of St. Lucie Unit No. 2). Jacksonville Beach d/b/a Beaches Energy Services owns one 230 kV transmission substation that ties to both FPL and JEA. Beaches Energy Services owns five (5) distribution substations, which deliver energy at the 26 kV level. Approximately 75% of Beaches Energy Services distribution circuits are underground.

Service Area and Customers

The Jacksonville Beach electric utility service area encompasses approximately 45 square miles including the neighboring town of Neptune Beach as well as the unincorporated areas of Ponte Vedra Beach and Palm Valley located in northeast St. Johns County. Forty-one (41) percent of the customers served reside within the Jacksonville Beach city limits.

No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2016.

CITY OF JACKSONVILLE BEACH
SUMMARY OF OPERATING RESULTS[1]
(Dollars in Thousands)

	For The Fiscal Years Ended September 30,				
	2012	2013	2014	2015	2016
Customers (annual average)	33,303	33,535	33,966	34,433	34,552
System Requirements					
Peak Demands (MW)	171	168	163	199	196
Energy(MWh)	720,682	767,104	733,793	738,958	757,400
Total Energy Sales(MWh)	695,071	681,038	699,005	716,233	720,318
Total Operating Revenues	$89,205	$97,517	$97,012	$93,588	$82,096
Operating Expenses:					
Total Purchased Power	$59,748	$64,958	$63,520	$59,230	$57,970
All Other Operating Expenses (excluding depreciation)	$15,395	$14,936	$15,239	$15,515	$10,487
Total Operating Expenses (excluding depreciation)	$75,143	$79,894	$78,759	$74,745	$68,457
Net Operating Revenues Available for Debt Service	$14,062	$17,623	$18,253	$18,843	$13,639
Other Income (Deductions)—Net	$ 513	$ (1,918)	$ 659	$ 754	$ 615
Net Revenues and Other Income Available for Debt Service	$14,575	$15,705	$18,912	$19,597	$14,254
Debt Service—Revenue Bonds	$ 4,799	$ 4,586	$ 4,570	$ 4,518	$ 4,498
Debt Service Ratios					
Actual	3.04x	3.42x	4.14x	4.34x	3.17x
Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25x
Balance available for renewals, replacements, capital additions and other lawful purposes	$ 9,776	$11,119	$14,342	$15,079	$ 9,756
Transferred to General Fund (Jacksonville Beach)[2]	$ 3,518	$ 3,294	$ 3,608	$ 3,670	$ 3,689

CONDENSED BALANCE SHEET[1]
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	2015	2016
ASSETS:		
Net Utility Plant	$154,639	$153,141
Restricted Assets	9,621	9,783
Current Assets	95,461	107,012
Total Asset	$259,721	$269,936
LIABILITIES AND EQUITY:		
Current Liabilities	$ 49,122	$ 55,301
Retained Earnings	185,781	192,046
Long Term Debt	24,818	22,589
Total Liabilities and Equity	$259,721	$269,936

[1] Electric, water, and wastewater utility.
[2] Established by Jacksonville Beach ordinance at a maximum 5.5 mills per kWh purchased.

UTILITY BOARD OF THE CITY OF KEY WEST

General

The City of Key West was first incorporated in 1828 and is the County seat of Monroe County, Florida. It is located near the southern extreme of the Florida Keys, a string of coral islands extending in a southwesterly arc from Biscayne Bay to the Dry Tortugas, and lies further south than any other point in the continental United States. The Utility Board of the City of Key West, Florida (the "Board") operates the municipally owned electric generation, transmission and distribution facilities in the service area.

The Board is composed of five members who are elected for terms of four years by the registered electors of the City of Key West. The members elected in 2013 and in 2015 will serve three terms in order to move the election process to even number years. During its organizational meeting, the five members select one member to serve as the Chairman for two years. The Board appoints the Manager of the electric utility System. Only electric system revenues are available for making payments under the Power Sales Contract and the Project Support Contract for the Tri-City and Stanton II Projects and the All-Requirements Power Supply Contract.

Electric Utility System

The Utility Board of the City of Key West (the "Board") has a 9.8932% Power Entitlement Share (10.3 MW) from FMPA's Stanton II Project and a 54.546% Power Entitlement Share (12.7 MW) from FMPA's Tri-City Project under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. The Board entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer as of April 1, 1998.

KEYS has established a policy to have island generation capability equal to at least 60% of KEYS' peak load. FMPA has agreed to meet these criteria by using the existing synchronized generating resources of four combustion turbine units and two medium speed diesels that currently total 111.0 MW. As part of the TARP contract, FMPA is required to maintain generation assets within KEYS' Service Area equal to or above 60% of KEYS' load.

The Utility Board now operates under the name Keys Energy Services ("KEYS").

Service Area and Customers

The service area of KEYS consists of the lower Florida Keys, extending approximately 44 miles in an east-west direction from Pigeon Key, adjacent to the service area of the Florida Keys Electric Cooperative Association, Inc. to the City of Key West, representing approximately 74 square miles.

The United States Navy (the "Navy") is the largest customer of KEYS, accounting for approximately 7.0% and 7.2% of kilowatt hours sold in fiscal 2016 and 2015, respectively. KEYS' contract with the Navy, which runs through August 31, 2017 contains provisions for minimum billing, service reduction and exclusive service provisions. Pursuant to this contract, KEYS has agreed to provide a maximum of 15 MW of power at multiple locations. During calendar year 2016, there were a total of 13 meter point service locations under the KEYS' contract with the Navy. The highest load incurred by any one of the 13 locations during the year was approximately 2.8 MW. In addition, in September 2016 the Navy was billed for 10.5 MW which was the highest monthly billing demand for all 13 service locations for the calendar year. The Navy is either billed actual or a minimum demand of 10.5 MW each month per the KEYS' contract with the Navy and Military Installation Rate Schedule M.S.

In 2016, the Navy accounted for 6.5% of KEYS electric revenues.

UTILITY BOARD OF THE CITY OF KEY WEST
SUMMARY OF OPERATING RESULTS[1]
(Dollars in Thousands)

	For The Fiscal Years Ended September 30,				
	2012	2013	2014	2015	2016
Customers (annual average).	30,197	30,416	30,859	30,989	31,303
System Requirements					
Peak Demands (MW)	137	136	144	147	148
Energy(MWh)	745,122	738,003	770,420	779,772	800,265
Total Energy Sales(MWh)	705,634	695,513	726,995	730,085	753,051
Total Operating Revenues	$97,411	$91,335	$96,295	$86,875	$89,843
Operating Expenses:					
Total Power Production and Power Supply	$50,659	$51,739	$52,692	$45,567	$46,745
All Other Operating Expenses (excluding depreciation)	$26,881	$25,625	$25,837	$27,408	$27,266
Total Operating Expenses (excluding depreciation)	$77,540	$77,364	$78,529	$72,975	$74,011
Net Operating Revenues Available for Debt Service	$19,871	$13,971	$17,766	$13,900	$15,832
Other Income (Deductions)—Net	$ 5,159	$ 2,560	$ 4,170	$ 4,745	$ 2,608
Net Revenues and Other Income Available for Debt Service	$25,030	$16,531	$21,936	$18,645	$18,440
Debt Service–Revenue Bonds	$10,380	$10,373	$11,259	$11,228	$11,153
Debt Service Ratios					
Actual	2.41x	1.59x	1.95x	1.66x	1.65x
Required Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25x
Balance available for renewals, replacements, capital additions and other lawful purposes	$14,650	$ 6,158	$10,677	$ 7,417	$ 7,287
Transferred to General Fund (City of Key West)	$ 424	$ 434	$ 419	$ 395	$ 391

CONDENSED BALANCE SHEET[1]
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	2015	2016
ASSETS:		
Net Utility Plant	$130,233	$134,264
Restricted Assets	26,535	24,363
Current Assets	53,787	47,172
Deferred Outflows of Resources	10,115	13,776
Total Assets	$220,670	$219,575
LIABILITIES AND EQUITY:		
Current Liabilities	$ 75,772	$ 80,337
Retained Earnings	75,037	77,117
Long Term Debt	69,476	61,630
Deferred Inflows of Resources	385	492
Total Liabilities and Equity	$220,670	$219,575

[1] Electric utility only.

KISSIMMEE UTILITY AUTHORITY

General

The City of Kissimmee ("Kissimmee") is approximately 18 miles south of Orlando and 7 miles east of the Walt Disney World Complex. Kissimmee is the county seat of Osceola County, the geographical center of Florida. Kissimmee was incorporated in 1883 and has a Commission/Manager form of government. The Kissimmee Utility Authority ("KUA"), which became effective October 1, 1985, operates and maintains the electric system. Only the electric utility system revenues of KUA are available to make payments under the Power Sales and Project Support Contracts for the St. Lucie, Stanton and Stanton II Projects and its All-Requirements Power Supply Contract.

The economy of Osceola County is primarily based upon tourism, cattle ranching and agriculture.

Electric Utility System

Kissimmee Utility Authority ("KUA") has a 12.195% Power Entitlement Share (8.0 MW) from FMPA's Stanton Project, a 32.9774% Power Entitlement Share (34.7 MW) from FMPA's Stanton II Project and a 9.405% Power Entitlement Share (8.1 MW) from FMPA's St. Lucie Project under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. KUA entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer as of October 1, 2002.

After the execution of the original Power Sales Contracts and Power Support Contracts relating to the Stanton and Stanton II Projects, KUA entered into (i) a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.195%) of Homestead's 24.390% Power Entitlement Share in the Stanton Project and a transfer agreement pursuant to which KUA assumed 50% (8.24435%) of Homestead's 16.4887% Power Entitlement Share in the Stanton II Project (the "Homestead Transferred Share") and (ii) a transfer agreement with Lake Worth pursuant to which KUA assumed all of Lake Worth's 8.2443% Power Entitlement Share in the Stanton II Project (the "Lake Worth Transferred Share").

In connection with the transfer of the Homestead Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an "Additional Power Sales Contract") and an additional Project Support Contract (an "Additional Project Support Contract"). KUA also in 1995 executed a similar additional Power Sales Contract and Power Support Contract with FMPA in connection with the transfer to it of the Lake Worth Transferred Share. Under each Additional Power Sales Contract and Additional Project Support Contract,

Homestead and Lake Worth are relieved of their respective obligations (including their payment obligations) with respect to their Transferred Shares if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead or Lake Worth (depending on which Transferred Share KUA is in default under) remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

KUA owns 50% of a combustion turbine unit (20 MW), 50% of a combined cycle unit (60 MW), and 50% of a combined cycle unit (125 MW) with the All-Requirements Power Supply Project. KUA turned over control and management of these units to FMPA in 2008 but continues to operate them. KUA operates and maintains the generating units owned by FMPA, and FMPA's interests in units located at the Cane Island Power Park. In addition, KUA has (i) a 4.8% (21 MW) undivided ownership interest in Stanton Energy Center Unit No. 1, which is operated by Orlando Utilities Commission ("OUC"); (ii) a 12.2% (11.2 MW) undivided ownership interest in the Indian River Combustion Turbine Units A and B, which are also operated by OUC; and (iii) a 3.5% (23 MW) ownership interest in Stanton Unit A, a gas-fired combined cycle unit located at OUC's Stanton Energy Center site and operated by Southern Company. KUA is a member of and has contracted with FGU which acts as an agent to KUA and other Florida utilities. FGU makes bulk purchases of natural gas which consists of a combination of spot market purchases, short-term winter firm supplies and medium term contracts. As a result of KUA joining the All-Requirements Power Supply Project and entering into a Capacity and Energy Sales Contract with the All-Requirements Power Supply Project, these facilities are treated as resources of the All-Requirements Power Supply Project. In addition, under the Capacity and Energy Sales Contract, KUA has agreed to sell any capacity and energy from its Power Entitlement Shares in the Stanton Project and the Stanton II Project to the All-Requirements Power Supply Project.

KUA's 230 kV and 69 kV transmission system includes interconnections with DEF, OUC, TECO and OUC/St. Cloud. Ten sub-stations supply the distribution system at voltages of 13.2 kV. The current system is approximately 66% underground and 34% overhead construction. Approximately 80% of all new distribution system installations are constructed underground.

Service Area and Customers

KUA's electric utility service area encompasses approximately 85 square miles with Kissimmee's 12.55 square-mile area near the center and 44% of electric customers served reside within the city limits. KUA has a PSC approved territorial agreement with Duke Energy of Florida and OUC/St. Cloud, its neighboring utilities.

No one electric customer accounted for more than 5% of the electric revenues for the year ended September 30, 2016.

KISSIMMEE UTILITY AUTHORITY
SUMMARY OF OPERATING RESULTS[1]
(Dollars in Thousands)

	For The Fiscal Years Ended September 30,				
	2012	2013	2014	2015	2016
Customers (annual average)[2]	64,020	65,088	66,258	67,889	69,919
System Requirements					
Peak Demands (MW)	310	314	327	335	354
Energy (MWh)[3]	1,386	1,400	1,445	1,508	1,586
Total Energy Sales (MWh)[3]	1,328	1,338	1,381	1,444	1,516
Total Operating Revenues	$173,047	$176,334	$171,772	$189,634	$183,733
Operating Expenses:					
Total Power Production and Purchased Power	$112,567	$119,122	$117,730	$102,490	$106,275
All Other Operating Expenses (excluding depreciation)	$ 26,936	$ 28,216	$ 28,634	$ 30,867	$ 32,168
Total Operating Expenses (excluding depreciation)	$139,503	$147,337	$146,364	$133,358	$138,444
Net Operating Revenues Available for Debt Service	$ 33,544	$ 28,997	$ 25,408	$ 56,276	$ 45,289
Other Income (Deductions)-Net	$ 544	$ 645	$ 428	$ 555	$ 834
Net Revenues and Other Income Available for Debt Service	$ 34,088	$ 29,642	$ 25,836	$ 56,831	$ 46,123
Debt Service-Revenue Bonds	$ 23,601	$ 23,656	$ 20,698	$ 27,307	$ 17,977
Debt Service Ratios					
Actual	1.44x	1.25x	1.25x	2.08x	2.57x
Required Per Bond Resolution Rate Covenant	1.10x	1.10x	1.10x	1.10x	1.10x
Balance available for renewals, replacements, capital additions and other lawful purposes	$ 10,487	$ 5,986	$ 5,139	$ 29,524	$ 28,146
Transferred to General Fund (Kissimmee)[4]	$ 9,166	$ 9,540	$ 13,032	$ 15,862	$ 16,735

CONDENSED BALANCE SHEET[1]
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	2015	2016
ASSETS:		
Capital Assets – Utility Plant	$181,275	$187,559
Restricted Assets	120,856	101,205
Other Assets	100,412	92,328
Current Assets	71,648	71,416
Deferred Outflow of Resources[5]	8,115	4,103
Total Assets	$482,306	$456,610
LIABILITIES AND EQUITY:		
Current Liabilities	$ 25,399	$ 20,410
Liabilities Payable from Restricted Assets	46,755	30,454
Long Term Debt	96,414	79,447
Other Long-Term Liabilities	33,001	30,811
Total Liabilities	201,569	161,122
Net Assets	204,066	221,580
Deferred Inflow of Resources[6]	76,672	73,908
Total Liabilities and Equity	$482,306	$456,610

[1] Electric utility participation only.
[2] Excludes internal customers effective Fiscal Year 2016.
[3] Excluding sales to other electric utilities, if any.
[4] The City of Kissimmee requires a transfer from the Authority to the General Fund of the City. Prior to Fiscal Year 2012 the charge was 6.24 mills per KWh; Fiscal Years 2012-13 at 6.91 mills per KWh; and Fiscal Year 2014 the calculation was changed to 7.6% of Electric Operating Revenues. Effective September 2015, the transfer is calculated as 11.06 mills per kWh retail sales.
[5] Represents unamortized loss on refunded debt.
[6] Represents regulatory credits, self-insurance and rate stabilization funds.

CITY OF OCALA

General

The City of Ocala ("Ocala" or the "City") is located in Marion County near the geographic center of the State of Florida, approximately 42 miles south of Gainesville and 91 miles north of Orlando. Ocala operates under the City Council/City Manager form of government. Ocala operates and maintains electric utility operations (the "Electric System") and water and wastewater utility operations (the "Water and Sewer Utility") which are integrated for bond issuance purposes and which are not integrated for purposes of the ARP. The Electric System revenues will be available for payments under the All-Requirements Power Supply Contract.

The City Manager oversees all the functions of the City of Ocala and the Water and Sewer Utility reports directly to the City Manager. The Electric Utility reports to the Deputy City Manager. The staff of the Electric Utility is under the direction of the Director of Ocala Electric Utility.

The economy of Ocala and Marion County is diversified. The three major payroll classifications in the private sector are: services (tourism), manufacturing and retail trade, in that order. Next are wholesale trade and construction. Agriculture and the thoroughbred horse industry are also major contributors to the area economy. As the center of retail trade for a four county area, the City of Ocala and Marion County have each experienced growth in both retail sales and in the number of establishments catering to the retail sector.

Electric Utility System

Ocala entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer of FMPA on May 1, 1986. At that time, Excluded Power Supply Resources for Ocala consisted of its partial ownership in DEF's Crystal River 3 nuclear unit (now retired), which equals 1.3333% of that unit (or 10,504 kW based on current net summer rating). The Crystal River 3 nuclear unit has since shut down and FMPA, on behalf of Ocala, has negotiated a settlement with Duke Energy to completely divest Ocala from all ownership and obligations in the Crystal River 3 nuclear plant.

The Electric System is presently served from three 230/69KV substations and connected to Duke Energy of Florida ("DEF") and Seminole Electric Cooperative. In 1993, Ocala constructed a 230 kV line and third 230/69KV substation in the western portion of Ocala connected to Seminole Electric Cooperative.

The 230/69KV substations currently feed into a sub-transmission system, consisting of sixty-nine miles of 69 kV line, eighteen 69/12.47KV, and two 69/4.16KV substations. The 12 kV distribution system contains 1,130 miles of electric lines to feed end users. Ocala utilizes an advanced meter infrastructure to automate reading its 76,000 electric and water meters.

Ocala purchases power from FMPA through the 230KV statewide bulk power system. Ocala is an all requirements customer and receives 100% of its power from the FMPA. Ocala comprises approximately 22% of the load served by FMPA.

Ocala has 120 net meter accounts and 1.1 megawatts of customer-owned photovoltaic capacity.

Service Area and Customers

Ocala's service area encompasses approximately 171 square miles. Ocala has received PSC approval of territorial agreements with DEF, Clay Electric Cooperative and Sumter Electric Cooperative. Ocala is in the process of negotiating a new territorial agreement with Clay Electric Cooperative and Sumter Electric Cooperative. The Electric System has approximately 50,000 customers. Sixty percent of the customers served by Ocala reside within the city limits.

No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2016.

CITY OF OCALA
SUMMARY OF OPERATING RESULTS
(Dollars in Thousands)

	For The Fiscal Years Ended September 30,				
	2012	2013	2014	2015	2016
Customers (annual average)	50,498	50,769	51,007	51,702	52,340
System Requirements					
Peak Demands (MW)	265	276	285	287	295
Energy (MWh)	1,230,559	1,238,467	1,263,334	1,294,771	1,336,618
Total Energy Sales (MWh)	1,185,155	1,196,647	1,220,551	1,249,859	1,295,215
Total Operating Revenues	$139,183	$150,345	$149,081	$143,367	$143,791
Operating Expenses:					
Total Power Production and Purchased Power	$ 95,927	$103,761	$106,193	$ 99,167	$ 99,389
All Other Operating Expenses (excluding depreciation)	$ 26,360	$ 24,400	$ 23,335	$ 22,262	$ 27,536
Total Operating Expenses (excluding depreciation)	$122,287	$128,161	$129,528	$121,429	$126,925
Net Operating Revenues Available for Debt Service	$ 16,896	$ 22,184	$ 19,553	$ 21,938	$ 16,866
Other Income (Deductions)–Net	—	$ 68	$ 737	$ 975	—
Net Revenues and Other Income Available for Debt Service	$ 16,896	$ 22,252	$ 20,290	$ 22,913	$ 16,866
Debt Service–Revenue Bonds	—	—	$ 362	—	—
Debt Service–Utility Systems Revenue Bonds	$ 3,342	$ 3,341	$ 3,301	$ 3,358	$ 4,650
Debt Service Ratios					
Actual [(1)]	5.06x	6.66x	5.54x	6.82x	3.63x
Required Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25x
Balance available for renewals, replacements, capital additions and other lawful purposes	$ 13,554	$ 18,911	$ 16,627	$ 19,555	$ 12,216
Transferred to General Fund (Ocala)[(2)]	$ 8,660	$ 8,720	$ 9,263	$ 6,719	$ 7,832

CONDENSED BALANCE SHEET[(3)]
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	2015	2016
ASSETS:		
Net Utility Plant	$120,950	$118,212
Restricted Assets	38,175	38,644
Current Assets	77,290	80,352
Deferred Outflow	6,777	10,309
Other Assets	—	—
Total Asset and Deferred Outflows	$243,192	$247,517
LIABILITIES AND EQUITY:		
Current Liabilities	$ 27,670	$ 30,359
Other Liabilities	38,188	29,644
Deferred Inflow	22,552	35,055
Retained Earnings	97,982	98,083
Long-Term Debt	56,800	54,376
Total Liabilities, Equity and Deferred Inflows	$243,192	$247,517

(1) The coverage shown is based on electric revenues; however, the pledge under the bond resolution is of both the Electric System and the Water and Sewer Utility.
(2) The General Fund transfer is based on 6% of revenues for Fiscal Year 2012 through 2015 and 7% of revenues for Fiscal Year 2016.
(3) Electric utility operations.

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APPENDIX C

FMPA'S ANNUAL AUDIT REPORT FOR ITS FISCAL YEAR ENDED SEPTEMBER 30, 2016

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FLORIDA MUNICIPAL POWER AGENCY

Financial Statements

For The Fiscal Year Ended September 30, 2016

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Member Cities

- Alachua
- Bartow
- Bushnell
- Blountstown
- Chattahoochee
- Clewiston
- Fort Meade
- Fort Pierce
- Gainesville
- Green Cove Springs
- Havana
- Homestead
- Jacksonville Beach
- Key West
- Kissimmee
- Lake Worth
- Lakeland
- Leesburg
- Moore Haven
- Mount Dora
- New Smyrna Beach
- Newberry
- Ocala
- Orlando
- Quincy
- St. Cloud
- Starke
- Vero Beach
- Wauchula
- Williston
- Winter Park

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and each major fund of the Florida Municipal Power Agency (the Agency) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Agency, as of September 30, 2016, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants
P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

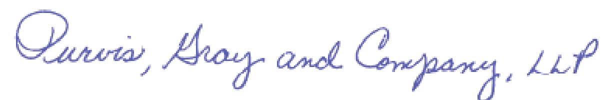
INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information and Schedule of Funding Progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying supplementary information listed in the table of contents, is presented for the purposes of additional analysis, and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2016, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



December 22, 2016
Ocala, Florida

MANAGEMENT'S DISCUSSION & ANALYSIS

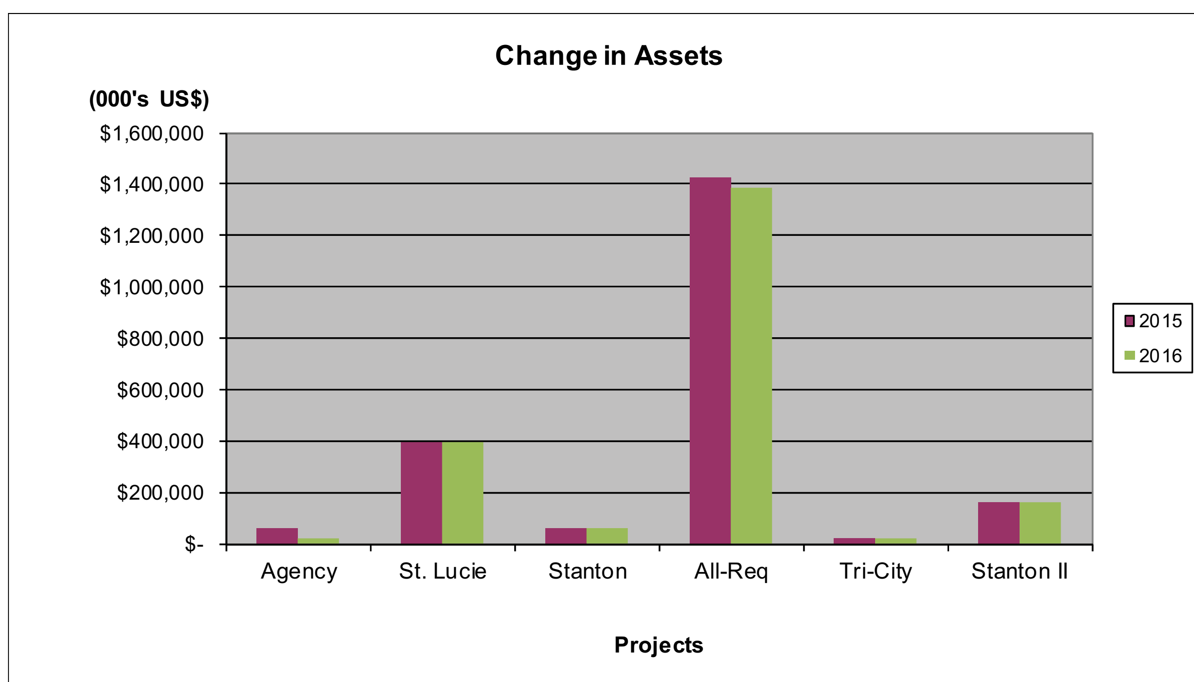
For Fiscal Year Ended September 30, 2016

This discussion and analysis is intended to serve as an introduction to Florida Municipal Power Agency's (FMPA's) basic financial statements, which are comprised of individual project or fund financial statements and the notes to those financial statements.

FMPA's financial statements are designed to provide readers with a broad overview of FMPA's financial condition in a manner similar to a private-sector business. It is important to note that, due to contractual arrangements which are the basis of each power project, no monies are shared among the projects.

FINANCIAL HIGHLIGHTS

Total Assets at September 30, 2016, of FMPA's Agency Fund and other projects decreased $83.8 million from the prior year. Decreases included $92.1 million of depreciation of Plant Asset and $37.3 million the Agency Fund held in trust for Crystal River 3 Decommissioning. Increases in total assets included $24.2 million of new depreciable assets.



Change in Assets (000's US$)							
Year	**Agency**	**St. Lucie**	**Stanton**	**All-Req**	**Tri-City**	**Stanton II**	**Total**
2015	$ 60,375	$ 396,926	$ 61,425	$ 1,424,560	$ 21,105	$ 157,816	$ 2,122,207
2016	$ 23,340	$ 391,691	$ 63,364	$ 1,382,620	$ 21,199	$ 156,235	$2,038,449
Variance	($37,035)	($5,235)	$1,939	($41,940)	$94	($1,581)	($83,758)

FINANCIAL HIGHLIGHTS (CONTINUED)

Total Liabilities at September 30, 2016, for FMPA's Agency Fund and other projects decreased by $54.7 million during the current fiscal year. The decrease in total liabilities is mainly due to bond principal payments and $37.3 million the Agency Fund held in trust for Crystal River 3 Decommissioning.

Long-Term Liability balance outstanding at September 30, 2016, for FMPA's Agency Fund and Projects was $1.9 billion, a decrease of $65.3 million during the current fiscal year.

Long-Term Bonds balance, less current portion, was $1.8 billion, including All-Requirements balance of $1.3 billion.

Total Revenue for Agency and all projects increased by $13.6 million for the current fiscal year, primarly due to investment income increasing $38.3 million primary due to the change in mark to market values.

Comparative years' Assets, Liabilities and Net Position, as well as Revenues, Expenses are summarized on the following pages.

FINANCIAL HIGHLIGHTS (CONTINUED)

Statement of Net Position
Proprietary funds
September 30, 2016
(000's US$)

2016	Business-Type Activities- Proprietary Funds						
	Agency Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Assets:							
Capital Assets, Net	$ 3,404	$ 50,196	$ 30,536	$ 777,532	$ 11,947	$ 100,258	$ 973,873
Current Unrestricted Assets	17,658	118,091	27,478	239,394	6,915	43,144	452,680
Non-Current Restricted Assets	2,278	176,265	5,350	37,358	2,337	12,833	236,421
Other Non Current Assets	-	47,139	-	328,336	-	-	375,475
Deferred Outflows of Resources	-	40,126	215	89,088	321	19,947	149,697
Total Assets & Deferred Outflows	$ 23,340	$ 431,817	$ 63,579	$ 1,471,708	$ 21,520	$ 176,182	$ 2,188,146
Liabilities:							
Long-Term Liabilities	$ 5,366	$ 418,789	$ 25,299	$ 1,331,563	$ 9,659	$ 153,418	$ 1,944,094
Current Liabilities	2,019	13,028	8,393	140,145	3,359	8,473	175,417
Deferred Inflows of Resources	-	-	29,887	-	8,502	14,291	52,680
Total Liabilities & Deferred Inflows	$ 7,385	$ 431,817	$ 63,579	$ 1,471,708	$ 21,520	$ 176,182	$ 2,172,191
Net Position:							
Investment in capital assets	$ 2,774	$ (262,910)	$ (2,098)	$ (497,465)	$ (476)	$ (38,883)	$ (799,058)
Restricted	$ -	$ 110,708	$ 12,760	$ 78,413	$ 5,372	$ 18,283	225,536
Unrestricted	$ 13,181	$ 152,202	$ (10,662)	$ 419,052	$ (4,896)	$ 20,600	589,477
Total Net Position	$ 15,955	$ -	$ -	$ -	$ -	$ -	$ 15,955

Statement of Net Position
Proprietary funds
September 30, 2015
(000's US$)

2015	Business-Type Activities- Proprietary Funds						
	Agency Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Assets:							
Capital Assets, Net	$ 3,410	$ 74,133	$ 31,623	$ 814,271	$ 12,436	$ 102,865	$ 1,038,738
Current Unrestricted Assets	17,444	107,711	26,893	230,449	7,058	43,034	432,589
Non-Current Restricted Assets	39,521	158,082	2,909	44,187	1,611	11,917	258,227
Other Non Current Assets	-	57,000	-	335,653	-	-	392,653
Deferred Outflows of Resources	-	44,407	353	31,844	515	20,327	97,446
Total Assets & Deferred Outflows	$ 60,375	$ 441,333	$ 61,778	$ 1,456,404	$ 21,620	$ 178,143	$ 2,219,653
Liabilities:							
Long-Term Liabilities	$ 42,471	$ 424,539	$ 32,875	$ 1,334,149	$ 12,748	$ 162,637	$ 2,009,419
Current Liabilities	2,216	16,794	8,137	122,255	3,498	11,912	164,812
Deferred Inflows of Resources	-	-	20,766	-	5,374	3,594	29,734
Total Liabilities & Deferred Inflows	$ 44,687	$ 441,333	$ 61,778	$ 1,456,404	$ 21,620	$ 178,143	$ 2,203,965
Net Position:							
Investment in capital assets	$ 2,590	$ (222,947)	$ (7,297)	$ (453,372)	$ (2,815)	$ (30,948)	$ (714,789)
Restricted	-	98,751	9,174	83,457	4,581	17,192	213,155
Unrestricted	13,098	124,196	(1,877)	369,915	(1,766)	13,756	517,322
Total Net Position	$ 15,688	$ -	$ -	$ -	$ -	$ -	$ 15,688

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2016

FINANCIAL HIGHLIGHTS (CONTINUED)

Statements of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Fiscal Year Ended September 30, 2016

(000's US$)

2016	Business-Type Activities- Proprietary Funds						
	Agency Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Revenues:							
Billings to participants	$ 13,782	$ 56,287	$ 27,103	$ 409,104	$ 10,548	$ 51,463	$ 568,287
Sales to others		2,561	327	26,146	116	511	29,661
Amounts to be recovered from (refunded to) participants		429	1,508	(12,419)	(121)	1,113	(9,490)
Investment Income (loss)	170	19,430	251	1,655	44	738	22,288
Total Revenue	$ 13,952	$ 78,707	$ 29,189	$ 424,486	$ 10,587	$ 53,825	$ 610,746
Expenses:							
Operation, maintenance & Nuclear Fuel Amortization	$ -	$ 15,690	$ 5,520	$ 67,270	$ 1,991	$ 6,688	$ 97,159
Purchased power, Transmission & Fuel Costs		4,254	8,532	222,564	3,142	23,400	261,892
Administrative & General	13,173	2,486	1,287	22,349	735	1,889	41,919
Depreciation & Decommissioning	481	31,417	2,937	55,101	1,134	5,336	96,406
Interest & Amortization	31	14,998	1,792	56,843	456	5,814	79,934
Write-off Development Project							
Total Expense	$ 13,685	$ 68,845	$ 20,068	$ 424,127	$ 7,458	$ 43,127	$ 577,310
Change in net position before regulatory asset adjustment	$ 267	$ 9,862	$ 9,121	$ 359	$ 3,129	$ 10,698	$ 33,436
Net cost recoverable/future Participant billings		(9,862)	(9,121)	(359)	(3,129)	(10,698)	(33,169)
Change in Net Positon After Regulatory Adj	$ 267	$ -	$ -	$ -	$ -	$ -	$ 267
Net position at beginning of year	15,688						15,688
Net position at end of year	$ 15,955	$ -	$ -	$ -	$ -	$ -	$ 15,955

Statements of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Fiscal Year Ended September 30, 2015

(000's US$)

2015	Business-Type Activities- Proprietary Funds						
	Agency Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Revenues:							
Billings to participants	$ 13,297	$ 54,511	$ 27,716	$ 399,979	$ 10,873	$ 52,204	$ 558,580
Sales to others		2,302	322	45,656	115	505	48,900
Amounts to be recovered from (refunded to) participants		(1,134)	10	7,798	101	(1,152)	5,623
Investment Income (loss)	183	12,362	450	(29,780)	27	778	(15,980)
Total Revenue	$ 13,480	$ 68,041	$ 28,498	$ 423,653	$ 11,116	$ 52,335	$ 597,123
Expenses:							
Operation, maintenance & Nuclear Fuel Amortization	$ -	$ 15,864	$ 4,225	$ 60,693	$ 1,511	$ 6,495	$ 88,788
Purchased power, Transmission & Fuel Costs		4,425	12,537	263,360	4,776	25,263	310,361
Administrative & General	12,539	2,998	1,235	21,729	696	1,831	41,028
Depreciation & Decommissioning	350	28,211	2,759	54,464	1,078	5,194	92,056
Interest & Amortization	36	14,855	1,980	59,185	562	5,834	82,452
Write-off Development Project							
Total Expense	$ 12,925	$ 66,353	$ 22,736	$ 459,431	$ 8,623	$ 44,617	$ 614,685
Change in net position before regulatory asset adjustment	$ 555	$ 1,688	$ 5,762	$ (35,778)	$ 2,493	$ 7,718	$ (17,562)
Net cost recoverable/future Participant billings		(1,688)	(5,762)	35,778	(2,493)	(7,718)	18,117
Change in Net Positon After Regulatory Adj	$ 555	$ -	$ -	$ -	$ -	$ -	$ 555
Net position at beginning of year	15,133						15,133
Net position at end of year	$ 15,688	$ -	$ -	$ -	$ -	$ -	$ 15,688

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2016

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to FMPA's basic financial statements, which are comprised of two components: (1) individual project or fund financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

FMPA's **Entity-Wide Financial Statements** are designed to provide readers with a broad overview of FMPA's finances in a manner similar to a private-sector business. It is very important to note that, due to contractual arrangements that are the basis of each power project, no monies can be shared among projects.

The cash flow of one power project, although presented with all others in the financial statement presentation as required by financial reporting requirements, cannot and should not be considered available for any other project. Management encourages readers of this report, when evaluating the financial condition of FMPA, to remember that each power project or fund is a stand-alone entity.

The **Statements of Net Position** presents information on all of FMPA's assets and liabilities with the differences between the two reported as Net Position. As a result of a decision by the governing bodies of FMPA, billings and revenues in excess (deficient) of actual costs are returned to (collected from) the participants in the form of billing credits (charges). The assets within the Agency Fund represent those required for staff operations, which coordinate all of the power projects described herein. Restricted Cash and Investments in the Agency Fund were held in trust for Crystal River Unit 3 participants (for nuclear decommissioning) which was disbursed to Duke Energy on October 30, 2015 as part of a settlement(see Note II.B.), and for individual members (rate stabilization).

The **Statements of Revenues, Expenses and Changes in Fund Net Position** present information regarding how FMPA's net position has changed during the fiscal year ended September 30, 2016. All changes in net position are reported as the underlying event giving rise to the change as it occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses that are reported in these statements for some items will only result in cash flows in future fiscal periods, such as unrealized gains or losses from investment activities, uncollected billings and earned but unused vacation.

The **Statements of Cash Flows** provide information about FMPA's Agency Fund and each project's cash receipts and disbursements during the fiscal year. These statements report cash receipts, cash payments and net changes in cash resulting from operating, investing and capital & related financing activities.

All of the activities of FMPA are of a business type, as compared to governmental activities. FMPA has no component units to report. The Financial Statements can be found on pages 13 through 15 of this report.

The **Fund Financial Statements** are comprised of a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. FMPA, like governments and other special agencies or districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of FMPA are reported on the proprietary basis.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2016

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

FMPA maintains only one type of **Proprietary Fund,** the Enterprise Fund type. Enterprise Funds are used to report the same functions presented as business-type activities in the financial statements. FMPA uses enterprise funds to account for all of its power projects, as well as the Agency business operations. Each of the funds is considered a "major fund" according to specific accounting rules. A summary of FMPA's activities for years 2016 and 2015 is shown on pages 6 and 7. A more detailed version of the major fund proprietary financial statements can be found on pages 13 through 15 of this report.

The **Notes to Financial Statements** provide additional information that is essential to understanding the data provided in both the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 16 through 59 of this report.

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, when readers use the financial presentations to evaluate FMPA's financial position and results of operations, it is essential to remember the legal separation that exists among the projects. Nevertheless, broad patterns and trends may be observed at this level that should lead the reader to study carefully the financial statements of each fund and project. For example, total expenses decreased $37.4 million primarily due to lower fuel costs. The St Lucie Project, Stanton, All-Requirements and Tri-City Project total expense decreased primarily due to lower fuel costs. Total expense for the Agency Fund increased primarily due to higher General & Administrative costs while the St. Lucie Fund expenses increased primariy due to higher depreciation & decommissioning.

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS

FMPA uses fund accounting, Federal Energy Regulatory Commission accounting and special utility industry terminology to ensure and demonstrate compliance with finance-related legal requirements. The projects and funds are presented below and in the financial statements in the order in which they were established.

The **Agency Fund** accounts for the administrative activities of FMPA. The expenses incurred while operating the projects and administrative activities are allocated to the power projects, net of any miscellaneous receipts. Total General and Administrative expenses increased $634,000 from fiscal year 2015 to fiscal year 2016.

On September 30, 2016, long-term notes payable debt was $430,000, which is accounted for in the FMPA Agency Fund and represents the Loan outstanding for the Agency's office building.

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS (CONTINUED)

The **St. Lucie Project** consists of an 8.806% undivided ownership interest in St. Lucie Unit 2. This unit is a nuclear power plant primarily owned and operated by Florida Power & Light (FPL). FPL requested and received a 20-year extension of the operating license from the Nuclear Regulatory Commission (NRC) for Units 1 and 2. The license will allow Unit 1 to operate until 2035 and Unit 2 to operate until 2043.

The Project billed 705,233 Megawatt-hours (MWh) in fiscal year 2016. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, remained level at $79.81 in fiscal year 2016.

The **Stanton Project** derives its power from a 14.8193% ownership interest in Stanton Unit 1, a 441 Megawatt coal-fired power plant operated by its primary owner, Orlando Utilities Commission (OUC).

The Project billed 190,985 MWh in fiscal year 2016. The average all-inclusive billing rate which includes budgeted Demand, Energy and Transmission expenses increased 45% to $141.91 per MWh in fiscal year 2016 due to an extended outage resulting in lower utilization.

The **All-Requirements Project** (ARP) consists of 13 active participants. The ARP energy resources are part of the Florida Municipal Power Pool (FMPP), a consortium of three municipal energy suppliers - ARP, Lakeland Electric and OUC - which have agreed to dispatch resources on an economic cost and availability basis in order to meet combined loads. The average billed rate to ARP member cities was $71.88 per MWh in fiscal year 2016, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2016 were 5,691,752.

Billings to ARP participants in fiscal year 2016 were 2% higher, increasing from $400 million to $409 million primarily due to increase in MWhs billed.

The All-Requirements participant net cost of power decreased to $69.69 per MWh in fiscal year 2016, a 6% decrease from fiscal year 2015. This decrease was primarily due to lower natural gas fuel prices. The fuel supply mix was 86.2% for natural gas, 13.4% for coal, and 0.4% for renewables.

After consideration of amounts to be refunded to or recovered from Project participants, the net position of the All-Requirements Project was zero (by design) again in fiscal year 2016. The All-Requirements project adjusts the Demand, Energy, and Transmission rates each month based on the current expenses, estimated future expenses, and over/under collections to meet its 60-day cash target. The over/under collection amounts are shown in the Statements of Revenues, Expenses and Changes in Fund Net Position as an addition or reduction to "Billings to Participants" and as "Due from Participants" or "Due to Participants" in the accompanying Statement of Net Position.

Financial Analysis of FMPA's Funds and Projects (continued)

The **Tri-City Project** consists of a 5.3012% ownership interest in Stanton Unit 1. The Project billed 71,172 MWh in fiscal year 2016. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 45% to $148.20 per MWh during fiscal year 2016 due to and extended outage resulting in lower utilization of the plant.

The **Stanton II Project** consists of a 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant operated by its primary owner; Orlando Utilities Commission (OUC). The Project billed 635,926 MWh in fiscal year 2016. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, decreased by 4% to $80.93 per MWh in fiscal year 2016. This was caused by increased capacity utilization in 2016.

Budgetary Highlights

The FMPA Board of Directors approves the non All-Requirements Project budgets, and the Executive Committee approves the Agency and All-Requirements Project budgets, establishing legal boundaries for expenditures. For fiscal year 2016, the St. Lucie, Stanton, Tri-City and Stanton II budgets were amended at the end of the fiscal year to increase expenditures $1.0 million, $2.5 million, $1.0 million, and $5.0 million respectively. This was due to higher actual fixed O & M expenses billed from FPL than budgeted for the St. Lucie Project. The Stanton and Tri-City budgets were increased due to a longer than expected outage resulting in higher fixed O & M expenses. The increase for the Stanton II Project was due to increased utilization because of the Stanton Unit I plant's longer that expected outage.

Capital Assets and Long-Term Debt

FMPA's investment in **Capital Assets,** as of September 30, 2016, was $1.0 billion, net of accumulated depreciation and inclusive of work-in-process and development projects. This investment in capital assets includes operational and construction projects in progress of generation facilities, transmission systems, land, buildings, improvements, and machinery and equipment.

FMPA's investment in capital assets for fiscal year 2016 decreased by 6.2% or $64.9 million. This was caused primarily by depreciation of plant assets.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2016

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

At September 30, 2016, FMPA had **Long-term debt** of $1.7 billion in notes, loans and bonds payable. The remaining principal payments on Long-term debt less current portion, net of unamortized premium and discount, and deferred outflows are as follows:

Project		Amount (000's US$)
Agency Fund	$	430
St. Lucie Project		323,608
Stanton Project		25,299
All-Requirements Project		1,239,357
Tri-City Project		9,659
Stanton II Project		139,040
Total	$	1,737,393

See **Note VIII** to the Notes to Financial Statements for further information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2016 budget. Expenses were estimated using current market conditions for fuel and estimated member loads which take into consideration the member cities' economies that have shown varying impacts on loads in both demand and energy due to the current economic down turn. Rates are set in order to cover all costs and based on the member loads. Additionally, All-Requirements rates are adjusted monthly to maintain cash at a 60 day target as approved by the Executive Committee.

SIGNIFICANT EVENTS

None.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2016

INTEREST ARBITRAGE AND REBATE

As a result of lower interest rates on outstanding debt in contrast to higher yields on investments, the Agency has the following remaining potential arbitrage rebate liabilities as of September 30, 2016:

Project	Amount (000's US$)	
St. Lucie Project	$	1,565
Total	$	1,565

See **Note XIV** in the Notes to Financial Statements for further information regarding the arbitrage rebate liabilities.

REQUEST FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the *Assistant General Manager, Finance and Information Technology, and CFO, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819.*

FLORIDA MUNICIPAL POWER AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2016

(000's US$)

	Business-Type Activities						
ASSETS & DEFERRED OUTFLOWS	**Agency Fund**	**St. Lucie Project**	**Stanton Project**	**All-Requirements Project**	**Tri-City Project**	**Stanton II Project**	**Totals**
Current Assets:							
Cash and cash equivalents	$ 2,566	$ 7,048	$ 3,166	$ 52,377	$ 1,260	$ 6,350	$ 72,767
Investments	12,751	94,487	11,014	45,413	1,162	22,650	187,477
Participant accounts receivable	1,742	4,473	2,793	35,166	1,070	4,413	49,657
Due from Participants		429	1,508			1,113	3,050
Fuel stock and material inventory			693	41,908	248	1,064	43,913
Other current assets	599	344	51	3,260	6	172	4,432
Restricted assets available for current liabilities		11,310	8,253	61,270	3,169	7,382	91,384
Total Current Assets	$ 17,658	$ 118,091	$ 27,478	$ 239,394	$ 6,915	$ 43,144	$ 452,680
Non-Current Assets:							
Restricted Assets:							
Cash and cash equivlents	$ 2,278	$ 76,513	$ 11,131	$ 76,210	$ 4,204	$ 13,733	$ 184,069
Investments		110,990	2,467	22,387	1,300	6,466	143,610
Accrued Interest		72	5	31	2	16	126
Less: Portion Classified as Current		(11,310)	(8,253)	(61,270)	(3,169)	(7,382)	(91,384)
Total Restricted Assets	$ 2,278	$ 176,265	$ 5,350	$ 37,358	$ 2,337	$ 12,833	$ 236,421
Utility Plant:							
Electric plant	$ -	$ 287,532	$ 84,700	$ 1,252,837	$ 34,092	$ 193,828	$ 1,852,989
General plant	8,510	26,458	12	3,145	20	91	38,236
Less accumulated depreciation and amortization	(5,187)	(264,736)	(54,176)	(478,450)	(22,165)	(93,661)	(918,375)
Net utility plant	$ 3,323	$ 49,254	$ 30,536	$ 777,532	$ 11,947	$ 100,258	$ 972,850
Construction work in progress	81	942					1,023
Total Utility Plant, net	$ 3,404	$ 50,196	$ 30,536	$ 777,532	$ 11,947	$ 100,258	$ 973,873
Other Assets:							
Net costs recoverable/future particpant billings	$ -	$ 47,139	$ -	$ 249,182	$ -	$ -	$ 296,321
Prepaid natural Gas - PGP				79,145			79,145
Other				9			9
Total Other Assets	$ -	$ 47,139	$ -	$ 328,336	$ -	$ -	$ 375,475
Total Assets	$ 23,340	$ 391,691	$ 63,364	$ 1,382,620	$ 21,199	$ 156,235	$ 2,038,449
Deferred Outflows of Resources							
Deferred Outflows from Derivatives	$ -	$ 22,334	$ -	$ 36,249	$ -	$ 14,378	$ 72,961
Unamortized Loss on Advanced Refunding		17,792	215	52,839	321	5,569	76,736
Total Deferred Outflows	$ -	$ 40,126	$ 215	$ 89,088	$ 321	$ 19,947	$ 149,697
Total Assets & Deferred Outflows	$ 23,340	$ 431,817	$ 63,579	$ 1,471,708	$ 21,520	$ 176,182	$ 2,188,146
LIABILITIES, DEFERRED INFLOWS AND NET POSITION							
Current Liabilities:							
Payable from unrestricted assets:							
Accounts payable & Accrued Liabilities	$ 1,819	$ 1,718	$ -	$ 27,951	$ 19	$ 871	$ 32,378
Due to Participants				33,481	121		33,602
Line of Credit Payable				5,000			5,000
Capital Lease and other Obligations	200		140	12,443	50	220	13,053
Total Current Liabilities Payable from Unrestricted Assets	$ 2,019	$ 1,718	$ 140	$ 78,875	$ 190	$ 1,091	$ 84,033
Payable from Restricted Assets:							
Current portion of long-term revenue bonds	$ -	$ 7,290	$ 7,410	$ 41,055	$ 3,035	$ 5,450	$ 64,240
Accrued interest on long-term debt		4,020	843	20,215	134	1,932	27,144
Total Current Liabilities Payable from Restricted Assets	$ -	$ 11,310	$ 8,253	$ 61,270	$ 3,169	$ 7,382	$ 91,384
Total Current Liabilities	$ 2,019	$ 13,028	$ 8,393	$ 140,145	$ 3,359	$ 8,473	$ 175,417
Long-Term Liabilities Payable from Restricted Assets:							
Held in Trust for Rate Stabilization	$ 2,278	$ -	$ -	$ -	$ -	$ -	$ 2,278
Accrued Decommissioning Liability		72,847					72,847
Total Liabilities Payable from Restricted Assets	$ 2,278	$ 72,847	$ -	$ -	$ -	$ -	$ 75,125
Long-Term Liabilities Less Current Portion:							
Long-term debt	$ 430	$ 323,608	$ 25,299	$ 1,239,357	$ 9,659	$ 139,040	$ 1,737,393
Employee Related Obligations	2,658						2,658
Advances from Participants				20,967			20,967
FMV Derivative Instruments		22,334		71,239		14,378	107,951
Total Long-Term Liabilities	$ 3,088	$ 345,942	$ 25,299	$ 1,331,563	$ 9,659	$ 153,418	$ 1,868,969
Deferred Inflows of Resources							
Net cost refundable/future participant billings	-	-	29,887	-	8,502	14,291	52,680
Total Liabilities and Deferred Inflows	$ 7,385	$ 431,817	$ 63,579	$ 1,471,708	$ 21,520	$ 176,182	$ 2,172,191
Net Position:							
Investment in Capital Assets, Net of Related Debt	$ 2,774	$ (262,910)	$ (2,098)	$ (497,465)	$ (476)	$ (38,883)	$ (799,058)
Restricted		110,708	12,760	78,413	5,372	18,283	225,536
Unresticted	13,181	152,202	(10,662)	419,052	(4,896)	20,600	589,477
Total Net Position	$ 15,955	$ -	$ -	$ -	$ -	$ -	$ 15,955

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended September 30, 2016

(000's US$)

	Business-Type Activities						
	Agency Fund	**St. Lucie Project**	**Stanton Project**	**All-Requirements Project**	**Tri-City Project**	**Stanton II Project**	**Totals**
Operating Revenue:							
Billings to participants	$ 13,782	$ 56,287	$ 27,103	$ 409,104	$ 10,548	$ 51,463	$ 568,287
Interchange Sales				22,433			22,433
Sales to others		2,561	327	3,713	116	511	7,228
Amounts to be recovered from (refunded to) participants		429	1,508	(12,419)	(121)	1,113	(9,490)
Total Operating Revenue	$ 13,782	$ 59,277	$ 28,938	$ 422,831	$ 10,543	$ 53,087	$ 588,458
Operating Expenses:							
Operation and maintenance	$	$ 9,727	$ 5,520	$ 67,270	$ 1,991	$ 6,688	$ 91,196
Fuel expense			7,400	170,762	2,715	21,650	202,527
Nuclear fuel amortization		5,963					5,963
Purchased power		3,874		25,546			29,420
Transmission services		380	1,132	26,256	427	1,750	29,945
General and administrative	13,173	2,486	1,287	22,349	735	1,889	41,919
Depreciation and amortization	481	27,140	2,937	55,101	1,134	5,336	92,129
Decommissioning		4,277					4,277
Total Operating Expense	$ 13,654	$ 53,847	$ 18,276	$ 367,284	$ 7,002	$ 37,313	$ 497,376
Total Operating Income (Loss)	$ 128	$ 5,430	$ 10,662	$ 55,547	$ 3,541	$ 15,774	$ 91,082
Non-Operating Income (Expense):							
Interest expense	$ (31)	$ (14,998)	$ (1,792)	$ (56,843)	$ (456)	$ (5,814)	$ (79,934)
Debt costs				(2,150)			(2,150)
Investment earnings	170	19,430	251	887	44	738	21,520
Amortization of swap terminations				2,918			2,918
Total Non-Operating Income (Expenses)	$ 139	$ 4,432	$ (1,541)	$ (55,188)	$ (412)	$ (5,076)	$ (57,646)
Change in net assets before regulatory asset adjustment	$ 267	$ 9,862	$ 9,121	$ 359	$ 3,129	$ 10,698	$ 33,436
Net cost recoverable/future participant billings	$	$ (9,862)	$ (9,121)	$ (359)	$ (3,129)	$ (10,698)	$ (33,169)
Change in Net Position After Regulatory Adj	$ 267	$	$	$	$	$	$ 267
Net Postion at beginning of year	15,688						15,688
Net Position at end of year	$ 15,955	$ -	$ -	$ -	$ -	$ -	$ 15,955

The accompanying notes are an integral part of these financial statements

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FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
September 30, 2016
(000's US$)

	Business-Type Activities- Proprietary Funds						
	Agency Fund	St. Lucie Project	Stanton Project	All Requirements Project	Tri-City Project	Stanton II Project	Totals
Cash Flows From Operating Activities:							
Cash Received From Customers	$ 13,575	$ 57,311	$ 28,471	$ 419,191	$ 10,355	$ 52,732	$ 581,635
Cash Paid to Suppliers	(5,835)	(15,741)	(16,159)	(331,467)	(5,274)	(33,740)	(408,216)
Cash Paid to Employees	(7,026)						(7,026)
Net Cash Provided by (Used in) Operating Activities	$ 714	$ 41,570	$ 12,312	$ 87,724	$ 5,081	$ 18,992	$ 166,393
Cash Flows From Investing Activities:							
Proceeds From Sales and Maturities Of Investments	$ 61,755	$ 747,684	$ 21,473	$ 659,955	$ 7,453	$ 40,697	$ 1,539,017
Crystal River 3 Decommissioning, RSA Withdrawal, Deposits and Interest Earnings	(37,226)						(37,226)
Purchases of Investments	(24,700)	(768,497)	(21,398)	(646,810)	(7,769)	(36,205)	(1,505,379)
Income received on Investments	137	10,961	543	3,771	50	629	16,091
Net Cash Provided by (Used in) Investment Activities	$ (34)	$ (9,852)	$ 618	$ 16,916	$ (266)	$ 5,121	$ 12,503
Cash Flows From Capital & Related Financing Activities:							
Proceeds from Issuance of Bonds & Loans	$ -	$ -	$ -	$ 508,997	$ -	$ -	$ 508,997
Debt Issuance Costs				(2,150)			(2,150)
Capital Expenditures - Utility Plant	(475)	(9,166)	(1,850)	(18,362)	(645)	(2,729)	(33,227)
Long Term Gas Pre Pay - PGP				(845)			(845)
Principal Payments - Long Term Debt	(190)	(10,589)	(6,424)	(515,629)	(3,022)	(9,430)	(545,284)
Line of Credit Advances				5,000			5,000
Interest paid on Debt	(27)	(15,181)	(1,873)	(57,956)	(486)	(5,933)	(81,456)
Net Cash Provided (Used in) Capital & Related Financing Activities	$ (692)	$ (34,936)	$ (10,147)	$ (80,945)	$ (4,153)	$ (18,092)	$ (148,965)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (12)	$ (3,218)	$ 2,783	$ 23,695	$ 662	$ 6,021	$ 29,931
Cash and Cash Equivalents - Beginning	4,856	86,779	11,514	104,892	4,802	14,062	226,905
Cash and Cash Equivalents - Ending	$ 4,844	$ 83,561	$ 14,297	$ 128,587	$ 5,464	$ 20,083	$ 256,836
Consisting of:							
Unrestricted	$ 2,566	$ 7,048	$ 3,166	$ 52,377	$ 1,260	$ 6,350	$ 72,767
Restricted	2,278	76,513	11,131	76,210	4,204	13,733	184,069
Total	$ 4,844	$ 83,561	$ 14,297	$ 128,587	$ 5,464	$ 20,083	$ 256,836
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:							
Operating Income (Loss)	$ 128	$ 5,430	$ 10,662	$ 55,547	$ 3,541	$ 15,774	$ 91,082
Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities:							
Depreciation	481	27,140	2,937	55,101	1,134	5,336	92,129
Asset Retirement Costs							
Decommissioning		4,277					4,277
Amortization of Nuclear Fuel		5,963					5,963
Amortization of Pre Paid Gas - PGP				8,000			8,000
Changes in Assests and Liabilities Which Provided (Used) Cash:							
Inventory			1,331	7,407	476	2,085	11,299
Receivables From (Payable to) Participants	(206)	(1,967)	(468)	(660)	(188)	(356)	(3,845)
Prepaids	179	(534)	(1,464)	1,722	101	(1,119)	(1,115)
Accounts Payable and Accrued Expense	132	(1,633)	(824)	11,563	(177)	(3,505)	5,556
Other Deferred Costs		2,894	138	(50,956)	194	777	(46,953)
Net Cash Provided By (Used In) Operating Activities	$ 714	$ 41,570	$ 12,312	$ 87,724	$ 5,081	$ 18,992	$ 166,393
Noncash Investing, capital and financing activities:							
Increase (Decrease) in mark to market values							
Non-Trust Investments	$ 26	$ 8,544	$ (288)	$ 97	$ (1)	$ 110	$ 8,488
Interest Rate Derivative Contracts							
Change in Effective Swaps		1,387		(6,351)		(397)	(5,361)

The accompanying notes are an integral part of these financial statements

I. Summary of Significant Accounting Policies

A. Reporting Entity

Florida Municipal Power Agency (FMPA or Agency) was created on February 24, 1978, pursuant to the terms of an Interlocal Agreement signed by the governing bodies of 25 Florida municipal corporations or utility commissions chartered by the State of Florida.

The Florida Interlocal Cooperation Act of 1969 authorizes local government units to enter together into mutually advantageous agreements which create separate legal entities for certain specified purposes. FMPA, as one such entity, was authorized under the Florida Interlocal Cooperation Act and the Joint Power Act to finance, acquire, construct, manage, operate or own electric power projects or to accomplish these same purposes jointly with other public or private utilities. An amendment to the Florida Interlocal Cooperation Act in 1985 and an amendment to the Interlocal Agreement in 1986 authorized FMPA to implement a pooled financing or borrowing program for electric, water, wastewater, waste refuse disposal or gas projects for FMPA and its members. FMPA established itself as a project-oriented agency.

This structure allows each member the option of whether to participate in a project, to participate in more than one project, or not to participate in any project. Each of the projects are independent from the other and the project bond resolutions specify that no revenues or funds from one project can be used to pay the costs of any other project. As of September 30, 2016, FMPA has 31 members.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Agency Fund and each of the projects are maintained using the Governmental Accounting Standards Board (GASB), the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and Generally Accepted Accounting Principles of the United States (GAAP) using the economic resources measurement focus and the accrual basis of accounting. Application of the accounting methods for regulatory operations is also included in these financial statements. This accounting guidance relates to the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is governed by the Executive Committee and the Board of Directors.

The Agency's General Bond Resolution requires that its rate structure be designed to produce revenues sufficient to pay operating, debt service and other specified costs. The Agency's Board of Directors, which is comprised of one representative from each member city, and Executive Committee, which is comprised of one representative from each of the active All-Requirements Project members, are responsible for reviewing and approving the rate structure. The application of a given rate structure to a given period's electricity sales may produce revenues not intended to pay that period's costs and conversely, that period's costs may not be intended to be recovered in that period's revenues. The affected revenues and/or costs are, in such cases, deferred for future recognition. The recognition of deferred items is correlated with specific future events, primarily payment of debt principal.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

FMPA considers electric revenues and costs that are directly related to generation, purchases, transmission and distribution of electricity to be operating revenues and expenses. Revenues are recorded when they are earned and expenses are recorded when a liability is incurred, following GAAP.

1. Fund Accounting

FMPA maintains its accounts on a fund/project basis, in compliance with appropriate bond resolutions, and operates its various projects in a manner similar to private business. Operations of each project are accounted for as a proprietary fund and as such, inter-project transactions, revenues and expenses are not eliminated.

The Agency operates the following major funds:

- The Agency Fund, which accounts for general operations beneficial to all members and projects,
- The St. Lucie Project, which accounts for ownership interest in the St. Lucie Unit 2 nuclear generating facility,
- The Stanton Project and the Tri-City Project, which account for respective ownership interests in the Stanton Energy Center (SEC) Unit 1, a coal-fired generation facility,
- The All-Requirements Project, which accounts for ownership interests in Stanton Energy Center Unit 1, Stanton Energy Center Unit 2, Stanton Unit A, and Indian River Combustion Turbine Units A, B, C and D. Also included in the All-Requirements Project is the purchase of power for resale to the participants and 100% ownership or ownership cost responsibility (for jointly owned and participant-owned units) of Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, FMPA's Key West Combustion Turbine Units 1, 2, 3 and 4 and Key West Stock Island MS Units 1 & 2.
- The Stanton II Project, which accounts for an ownership interest in SEC Unit 2.

Certain accounts within these funds are grouped and classified in the manner established by respective bond resolutions and/or debt instruments.

All funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary or business fund's principal on-going operations. The principal operating revenues of FMPA's proprietary or business funds are charges to participants for sales and services. Operating expenses for proprietary or business funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is FMPA's policy to use restricted funds for their intended purposes only, based on the bond resolutions. Unrestricted resources are used as they are needed in a hierarchical manner from the General Reserve accounts to the Operations and Maintenance accounts.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Capital Assets

Certain direct and indirect expenses allocable to FMPA's fully owned and undivided ownership in the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project and the Stanton II Project are capitalized as part of the cost of acquiring or constructing the respective utility plant. Direct and indirect expenses not associated with these projects are capitalized as part of the cost of Development Projects in Progress in the Agency Fund. Electric Plant in Service is depreciated using the straight-line method over the assets' respective estimated useful lives. Estimated useful lives for electric plant assets range from 23 years to 40 years.

FMPA has adopted the policy of capitalizing net interest costs during the period of project construction (interest expense less interest earned on the investment of bond proceeds). Capitalized net interest cost on borrowed funds include amortization of bond discount and bond premium, interest expense and interest income. The cost of major replacements of assets in excess of $5,000 is capitalized to the utility plant accounts. The cost of maintenance, repairs and replacements of minor items are expensed as incurred.

3. Inventory

Coal, oil, and natural gas inventory is stated at weighted average cost. Parts inventory for the generating plants is also stated at weighted average cost. Nuclear fuel is carried at cost and is amortized on the units of production basis.

4. Cash & Cash Equivalents

FMPA considers the following highly liquid investments (including restricted assets) to be cash equivalents for the statement of cash flows:

- Demand deposits (not including certificates of deposits)
- Money market funds

5. Investments

Florida Statutes authorize FMPA to invest in the FL Local Government Surplus Funds Trust Fund, obligations of the U.S. Instrumentalities, Money Market Funds, U.S. Government and Agency Securities, Certificates of Deposit, commercial paper and repurchase agreements fully collateralized by all the items listed above. In addition to the above, FMPA's policy also authorizes the investment in corporate and municipal bonds, bankers' acceptances, prime commercial paper and repurchase agreements, guaranteed investment contracts and other investments with a rating confirmation issued by a rating agency.

Investments are stated at fair value based on quoted market prices and using third party pricing models for thinly traded investments that don't have readily available market values. Investment income includes changes in the fair value of these investments. Interest on investments is accrued at the Statement of Net Position date. All of FMPA's project and fund investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

6. Debt-Related Costs

Debt issuance costs are expensed as incurred. Gains and losses on the refunding of bonds are deferred and amortized over the life of the refunding bonds or the life of the refunded bonds, whichever is shorter, using the bonds outstanding method. This method is used for the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project and the Stanton II Project.

7. Compensated Absences

Liabilities related to Compensated Absences are recognized as incurred in accordance with GASB Statement No. 16 and are included in accrued expenses. Regular, full-time employees in good standing, upon resignation or retirement, are eligible for vacation pay, and sick/personal pay. At September 30, 2016, the liability for unused vacation was $825,379 and $543,261 for unused sick/personal leave are accounted for in the Agency Fund.

8. Allocation of Agency Fund Expenses

General and administrative operating expenses of the Agency Fund are allocated based on direct labor hours of specific positions and certain other minimum allocations to each of the projects. Any remaining expenses are allocated to the All-Requirements Project.

9. Billing to Participants

Participant billings are designed to systematically provide revenue sufficient to recover costs. Rates and budgets can be amended by the Board of Directors or the Executive Committee at any time.

For the All-Requirements Project, energy rate adjustments are driven by the Project's Operation and Maintenance (O & M) Fund month-end cash balance and the cash balance needed to meet the targeted balance of 60 days of cash within the O & M Fund. If it is determined that the O & M Fund balance is over the 60 days O & M Fund cash balance target amount, the energy rate adjustment will result in a lower billing rate relative to projected expenses and thereby reduce the future O & M Fund balance. Likewise, if the O & M Fund balance is below the 60 day cash target, the energy rate adjustment will result in a higher billing rate relative to projected expenses and thereby increase the future O & M Fund balance.

Amounts due from participants are deemed to be entirely collectible and as such, no allowance for uncollectible accounts has been recorded.

For the St. Lucie Project, the Stanton Project, the Tri-City Project and the Stanton II Project, variances in current fiscal year billings and actual project costs are computed and compared to the current year budget target under or over recovery and under the terms of the project contract, net excesses or deficiencies are credited or charged to future participant billings or may be paid from the General Reserve Fund, as approved by the Board of Directors, or Executive Committee as appropriate.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

10. Income Taxes

FMPA is a local governmental entity and therefore is exempt from federal and state income taxes.

11. Use of Estimates

The management of FMPA has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Examples of major areas where estimates are used include the estimate for useful lives of property, plant and equipment and the estimate for the nuclear decommissioning liability. Other examples include using third party pricing models for pricing of thinly traded investments, amortization of Public Gas Partner gas based on estimated total reserves and use of estimates when computing the OPEB liability. Actual results could differ from those estimates.

12. Derivative Financial Investments

FMPA uses commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas purchases, as well as interest rate swap contracts to hedge the fluctuations in the interest rate of variable-rate debt. The Interest Rate Swap contracts require the Agency to pay a fixed interest rate and receive a variable interest rate, based upon the London Interbank Offered Rate (LIBOR), or the Consumer Price Index (CPI). GASB Statement No. 53 was adopted by FMPA beginning with the fiscal year ending September 30, 2010. All derivative financial instruments have been evaluated for effectiveness using criteria established in GASB Statement No. 53. Related gains or losses on the derivative instruments determined to be ineffective are recorded as either a reduction of, or an addition to, Net costs refundable/participant billings or interest expense.

13. Deferred Inflows and Deferred Outflows

GASB Statement No. 65 was adopted by FMPA beginning with the fiscal year ending September 30, 2013. The impacts on accounting and reporting for FMPA are as follows:

All debt issuance costs previously recorded as an asset are now expensed as incurred and included as a Regulatory asset (Net costs recoverable from future participant billings) in the Other Assets section of the Statement of Net Position.

Any Gain/Loss on Debt Refunding was previously accounted for in the Long-Term Liabilities section of the Statement of Net Position as an addition or offset to Long-term debt and amortized to expense over the term of the debt. These are now accounted for as Deferred Outflows of Resources in the Statement of Net Position and amortized to expense over the term of the new debt.

Long-term Regulatory Liabilities (Due to Participants) previously accounted for in the Long-Term Liabilities section of the Statement of Net Postion are now accounted for as a Deferred Inflows of Resources in the Statement of Net Postion and recognized as a rate benefit over future periods.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

14. Financial Reporting for Pension Plans

The Governmental Accounting Standards Board Statement #67 was adopted by FMPA beginning with the fiscal year ending September 30, 2014. FMPA has a Defined Contribution Pension Plan and therefore the impacts were minimal compared to entities that have a Defined Benefit Pension Plan. The impacts on accounting and reporting for FMPA were additional disclosures in footnote XII as follows:

-The number of plan members.

-The authority under which the pension plan was established or may be amended.

15. Fair Value Measurement and Application

During the year ending September 30, 2016, FMPA implemented GASB Statement No. 72 *Fair Value Measurement and Application.* This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. This statement clarifies the definition of fair value as an exit price. Fair value measurements assume a transaction takes place in a government's principal market, or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 inputs**-are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
- **Level 2 inputs**-are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Agency Obligation securities are recorded at fair value based upon Bloomberg pricing models using observable inputs and as such are presented as level 2 in the GASB 72 hierarchy in Note IV.
- **Level 3 inputs**-are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

II. Nuclear Decommissioning Liability

A. St. Lucie Project

The U.S. Nuclear Regulatory Commission (NRC) requires that each licensee of a commercial nuclear power reactor furnish to the NRC a certification of its financial capability to meet the costs of nuclear decommissioning at the end of the useful life of the licensee's facility. As a co-licensee of St. Lucie Unit 2, FMPA's St. Lucie Project is subject to these requirements and therefore has complied with the NRC regulations.

To comply with the NRC's financial capability regulations, FMPA established an external trust fund (Decommissioning Trust) pursuant to a trust agreement. Funds deposited, together with investment earnings in the Trust, are anticipated to result in sufficient funds in the Decommissioning Trust at the expiration of the license extension to meet the Project's share of the decommissioning costs. This is reflected in the St. Lucie Project's Statement of Net Position as Restricted Cash and Investments ($72.8 million) and Accrued Decommissioning Liability ($72.8 million) at September 30, 2016. These amounts are to be used for the sole purpose of paying the St. Lucie nuclear decommissioning costs. Based on a site-specific study approved by the Florida Public Service Commission in 2015, Unit 2's future net decommissioning costs are estimated to be $2.2 billion or $745 million in 2015 dollars, and FMPA's share of the future net decommissioning costs is estimated to be $197 million or $65 million in 2015 dollars. A new study will be completed and made available in 2021. The Decommissioning Trust is irrevocable and funds may be withdrawn from the Trust solely for the purpose of paying the St. Lucie Project's share of costs for nuclear decommissioning. Also, under NRC regulations, the Trust is required to be segregated from other FMPA assets and outside FMPA's administrative control. FMPA has complied with these regulations.

B. Crystal River Unit 3

The minority owners of the Crystal River Unit 3 (CR3) Power Plant were required to maintain nuclear decommissioning trust funds for their share of CR3's decommissioning liability. As a service to six of the eight CR3 municipal joint owners, FMPA managed the investment of the monies collected from the joint owners in the Decommissioning Trust. This was previously reflected in the Agency Fund Statement of Net Position as Restricted Cash and Investments and held in trust for decommissioning for the sole purpose of paying CR3's nuclear decommissioning costs by these owners. The decommissioning trust funds were transferred to Duke on October 30, 2015, as part of the settlement agreement between the CR3 joint owners and Duke.

The eight CR3 municipal joint owners and several current and former wholesale customers of Duke, including the All-Requirements Project, entered into a settlement agreement with Duke which became effective September 26, 2014. Relevant to the CR3 decommissioning trusts, one aspect of the settlement agreement provides for the CR3 municipal joint owners' transfer of their CR3 ownership interests and decommissioning trust funds to Duke in exchange for, among other things, a cash settlement payment and release from all past, present and future CR3 costs and liabilities including CR3 decommissioning. The settlement payments and decommissioning trust fund transfers took place at final closing on October 30, 2015.

III. Capital Assets

A description and summary as of September 30, 2016, of Capital Assets by fund and project, is as follows:

The column labeled "Increases" reflects new capital undertakings and depreciation expense. The column labeled "Decreases" reflects retirements of those assets.

A. Agency Fund

The Agency Fund contains the general plant assets of the Agency that are not associated with specific projects. Depreciation of general plant assets is computed by using the straight-line method over the expected useful life of the asset. Expected lives of the different types of general plant assets are as follows:

- Structures & Improvements 25 years
- Furniture & Fixtures 8 years
- Office Equipment 5 years
- Automobiles and Computers 3 years

New capital undertakings are accounted for in the Development Projects in Progress account and included in the Other Assets section of the Statement of Net Postion. Depending on whether these undertakings become a project, costs are either capitalized or expensed. The activity for the Agency's general plant assets for the year ended September 30, 2016 was as follows:

	September 30, 2016			
	Beginning Balance	Increases*	Decreases*	Ending Balance
	(000's US$)			
Land	$ 653	$ -	$ -	$ 653
General Plant	7,495	394	(32)	7,857
Construction work in process		81		81
General Plant in Service	$ 8,148	$ 475	$ (32)	$ 8,510
Less Accumulated Depreciation	(4,738)	(481)	32	(5,187)
General Plant in Service, Net	$ 3,410	$ (6)	$ -	$ 3,323

* Includes Retirements Less Salvage

III. Capital Assets (continued)

B. St. Lucie Project

The St. Lucie Project consists of an 8.806% undivided ownership interest in St. Lucie Unit 2, a nuclear power plant primarily owned and operated by Florida Power & Light (FPL).

Depreciation is computed using the straight-line method over the expected useful life of the asset, which is computed to be 34.6 years. Nuclear fuel is amortized on a units of production basis.

St. Lucie plant asset activity for the year ended September 30, 2016, was as follows:

	September 30, 2016			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
		(000's US$)		
Land	$ 75	$ -	$ -	$ 75
Electric Plant	280,865	6,592		287,457
General Plant	1,209			1,209
Nuclear Fuel	26,352	2,325	(3,428)	25,249
Construction work in process	2,974	249	(2,281)	942
Electric Utility Plant in Service	$ 311,475	$ 9,166	$ (5,709)	$ 314,932
Less Accumulated Depreciation	(237,342)	(33,103)	5,709	(264,736)
Utility Plant in Service, Net	$ 74,133	$ (23,937)	$ -	$ 50,196

* Includes Retirements Less Salvage

Construction work in process is recorded on an estimate basis and reversed 3 months later when actual amounts are determined.

C. Stanton Project

The Stanton Project consists of an undivided 14.8193% ownership in Stanton Energy Center Unit 1, a coal-fired power plant. Asset retirements and additions for the plant are decided by Orlando Utilities Commission (OUC), the primary owner and operator of the plant.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different plant assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Stanton Unit 1 plant asset activity for the year ended September 30, 2016, was as follows:

	September 30, 2016			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
		(000's US$)		
Land	$ 125	$	$ -	$ 125
Electric Plant	82,775	1,849	(49)	84,575
General Plant	11	1		12
Electric Utility Plant in Service	$ 82,911	$ 1,850	$ (49)	$ 84,712
Less Accumulated Depreciation	(51,288)	(2,937)	49	(54,176)
Utility Plant in Service, Net	$ 31,623	$ (1,087)	$ -	$ 30,536

* Includes Retirements Less Salvage

III. Capital Assets (continued)

D. All-Requirements Project

The All-Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C and D; and Stanton A.

The All-Requirements Project's current utility plant assets also consist of 100% ownership in the Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, Key West Units 1, 2, 3 and 4, and Stock Island MS Units 1 & 2.

Retirements and additions for the All-Requirements Project assets are decided by the All-Requirements members.

Depreciation of plant assets and amortization of capital leases is computed using the straight-line method over the expected useful life of the asset. Expected lives of the different plant assets are as follows:

- Stanton Energy Center Units 1 and 2 — 40 years
- Stanton Energy Center Unit A — 35 years
- Treasure Coast Energy Center — 23 years
- Cane Island Unit 1 — 25 years
- Cane Island Units 2, 3 — 30 years
- Cane Island Unit 4 — 23 years
- Key West Units 1, 2 and 3 — 25 years
- Key West Stock Island Units 1 and 2 — 25 years
- Key West Stock Island Unit 4 — 23 years
- Indian River Units A, B, C and D — 23 years
- Computer Equipment — 9 years

All-Requirements plant asset activity for the year ended September 30, 2016, was as follows:

	September 30, 2016			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
		(000's US$)		
Land	$ 13,405	$	$ -	$ 13,405
Electric Plant	1,226,988	17,997	(5,553)	1,239,432
General Plant	2,780	365		3,145
Electric Utility Plant in Service	$ 1,243,173	$ 18,362	$ (5,553)	$ 1,255,982
Less Accumulated Depreciation	(428,902)	(55,101)	5,553	(478,450)
Utility Plant in Service, Net	$ 814,271	$ (36,739)	$ -	$ 777,532

* Includes Retirements Less Salvage

III. Capital Assets (continued)

E. Tri-City Project

The Tri-City Project consists of an undivided 5.3012% ownership interest in Stanton Unit 1, a coal-fired power plant. Retirements and additions for Stanton Unit 1 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant — 40 years
- Computer Equipment — 9 years

Tri-City Project plant asset activity for the year ended September 30, 2016, was as follows:

	September 30, 2016			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
		(000's US$)		
Land	$ 48	$ -	$ -	$ 48
Electric Plant	33,399	645		34,044
General Plant	20			20
Electric Utility Plant in Service	$ 33,467	$ 645	$ -	$ 34,112
Less Accumulated Depreciation	(21,031)	(1,134)		(22,165)
Utility Plant in Service, Net	$ 12,436	$ (489)	$ -	$ 11,947

* Includes Retirements Less Salvage

F. Stanton II Project

The Stanton II Project consists of an undivided 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant. Retirements and additions for Stanton Unit 2 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant — 40 years
- Computer Equipment — 9 years

Stanton Unit 2 plant asset activity for the year ended September 30, 2016, was as follows:

	September 30, 2016			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
		(000's US$)		
Land	$ 217	$ -	$ -	$ 217
Electric Plant	190,882	2,729		193,611
General Plant	91			91
Electric Utility Plant in Service	$ 191,190	$ 2,729	$ -	$ 193,919
Less Accumulated Depreciation	(88,325)	(5,336)		(93,661)
Utility Plant in Service, Net	$ 102,865	$ (2,607)	$ -	$ 100,258

* Includes Retirements Less Salvage

IV. Cash, Cash Equivalents and Investments

A. Cash and Cash Equivalents

At September 30, 2016, FMPA's Cash and Cash Equivalents consisted of demand deposit accounts and money market accounts which are authorized under FMPA bond resolutions. Cash and cash equivalents are held at two financial institutions. All of FMPA's demand deposits at September 30, 2016, were insured by Federal Depository Insurance Corporation (FDIC) or collateralized pursuant to the Public Depository Security Act of the State of Florida. Current unrestricted cash and cash equivalents are used in FMPA's funds' and projects' day-to-day operations.

B. Investments

FMPA adheres to a Board and Executive Committee-adopted investment policy based on the requirements of the bond resolutions. The policy requires diversification based upon investment type, issuing institutions, and duration. All of the fund and project accounts have specified requirements with respect to investments selected and the length of allowable investment. Investments at September 30, 2016, were insured or registered and held by its agent in FMPA's name. Changes in the fair value of investments are reported in current period revenues and expenses. All of FMPA's fund and project investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

Foreign Currency Risk

FMPA's investments are not exposed to foreign currency risk.

Interest-Rate Risk

FMPA's investment policy requires that funds generally be invested to match anticipated cash flow. All fund and project accounts have a specified maximum maturity for investments and, the majority of FMPA's funds are required to be invested for less than five years. All project funds and accounts are monitored using weighted average maturity analysis as well as maturity date restrictions.

Concentration of Credit Risk

Each project is separate from the others, and as such, each project is evaluated individually to determine the credit and interest rate risk. FMPA's investment policy prohibits investments in commercial paper that exceed 50% of any of the projects' or the Agency's assets. All commercial paper must be rated in the highest rating category by a nationally recognized bond rating agency at the time of purchase. These investments must not exceed 25% for any of FMPA's projects. As of September 30, 2016, fixed income commercial paper investments, held by FMPA from any one issuer (investments issued or explicitly guaranteed by the US Government, investments in mutual funds, external investment pools and other pooled investments are excluded) that represent 5% or more of the projects' investment assets are listed on the following page.

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

Agency Fund	
None	
St. Lucie Project	
None	
Stanton Project	
Coca-Cola Co.	7.39%
All-Requirements Project	
None	
Tri-City Project	
Toyota Motor Co.	16.21%
Stanton II Project	
None	

Capital Appreciation Bonds(CABS) in total represent 38% of the St. Lucie Project's portfolio, of which 66% of them are held in California.

FMPA maintains all assets other than demand deposit accounts within a trust department of a bank. Under Florida Statutes, Chapter 280, public deposits in a bank or savings association by a trust department company are fully secured under trust business laws. All cash and investments, other than demand deposit accounts, are held in the name of a custodian or a trustee for the Agency and its projects.

1. Agency Fund

Cash, cash equivalents and investments on deposit for the Agency at September 30, 2016, are as follows:

	September 30, 2016	Weighted Average Maturity (Days)	Credit Rating
Restricted	*(000's US$)*		
Cash and Cash Equivalents	$ 2,278		
US Gov't/Agency Securities	-		
Commercial Paper	-		
Total Restricted	$ 2,278		
Unrestricted			
Cash and Cash Equivalents	$ 2,566		
US Gov't/Agency Securities	12,251	562	Aaa/AA+/AAA *
Commercial Paper	500		
Total Unrestricted	$ 15,317		
Total	$ 17,595		

* Moody's/S&P/Fitch

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

Investments and Derivative Instruments Measured at Fair Value for the Agency at September 30, 2016, are as follows:

Investment Assets by Fair Value Level	**Quoted Prices in Active Markets** (Level 1) *(000's US$)*	**Significant Other Observable Inputs** (Level 2) *(000's US$)*	**Significant Unobservable Inputs** (Level 3) *(000's US$)*
Agency Obligations	$ -	$ 9,007	$ -
US Treasury Obligations	3,274		
Municipal Bonds			
Total By Level	$ 3,274	$ 9,007	$ -
Investment Liabilities (Derivative Instruments)			
Interest Rate Swaps	$ -	$ -	$ -
Total	$ -	$ -	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 2,311		
Commercial Paper	500		
Morgan Stanley Institutional	256		
Held in Trust Rate Stabilization	2,278		
Total Money Market and Mutual Fund Instruments	$ 5,345		
Total Market Value of Assets	$ 17,626		
Accrued Interest(including portion within other current assets of Unrestricted Assets)	(31)		
Market value (less) Accrued Interest	$ 17,595		
Total Investment Liabilities (Interest Rate Swaps)	$ -		

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

2. St. Lucie Project

In addition to normal operational cash needs for the project, investments are being accumulated in order to pay-off the balloon maturity of the Project's debt in 2026. The primary investments being used for this are zero coupon municipal bonds. Cash, cash equivalents and investments for the St. Lucie Project at September 30, 2016, are as follows:

		September 30, 2016	Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	76,513		
US Gov't/Agency Securities		25,857	1,077	Aaa/AA+/AAA **
Municipal Bonds		85,133	3,393	*
Commercial Paper		-		
Total Restricted	$	187,503		
Unrestricted				
Cash and Cash Equivalents	$	7,048		
US Gov't/Agency Securities		35,654	534	Aaa/AA+/AAA **
Municipal Bonds		58,833	1,693	*
Commercial Paper		-		
Total Unrestricted	$	101,535		
Total	$	289,038		

*The Municipal Bond ratings range from a best of Aa1/AAA/AAA to a worst of A3/AA-/BBB-.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the St. Lucie Project at September 30, 2016, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	48,739	$	-
US Treasury Obligations		12,944				
Municipal Bonds				143,995		
Total By Level	$	12,944	$	192,734	$	-
Investment Liabilities (Derivative Instruments)						
Interest Rate Swaps	$	-	$	(22,334)	$	-
Total	$	-	$	(22,334)	$	-
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure						
Cash Equivalents	$	83,053				
Commercial Paper		-				
Morgan Stanley Institutional		508				
Total Money Market and Mutual Fund Instruments	$	83,561				
Total Market Value of Assets	$	289,239				
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(201)				
Market value (less) Accrued Interest	$	289,038				
Total Investment Liabilities (Interest Rate Swaps)	$	(22,334)				

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

3. Stanton Project

Cash, cash equivalents and investments for the Stanton Project at September 30, 2016, are as follows:

		September 30, 2016	Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	11,131		
US Gov't/Agency Securities		1,408	343	Aaa/AA+/AAA **
Municipal Bonds		1,059	894	*
Total Restricted	$	13,598		
Unrestricted				
Cash and Cash Equivalents	$	3,166		
US Gov't/Agency Securities		9,523	874	Aaa/AA+/AAA **
Municipal Bonds		495	683	*
Commercial Paper		996		
Total Unrestricted	$	14,180		
Total	$	27,778		

*The Municipal Bond ratings range from a best of AAA/AAA/Aa1A to a worst of A+/A/A3.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the Stanton Project at September 30, 2016, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	10,439	$	-
US Treasury Obligations		547				
Municipal Bonds				1,555		
Total By Level	$	547	$	11,994	$	-
Investment Liabilities (Derivative Instruments)						
Interest Rate Swaps	$	-	$	-	$	-
Total	$	-	$	-	$	-
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure						
Cash Equivalents	$	14,256				
Commercial Paper		996				
Morgan Stanley Institutional		41				
Total Money Market and Mutual Fund Instruments	$	15,293				
Total Market Value of Assets	$	27,834				
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(56)				
Market value (less) Accrued Interest	$	27,778				
Total Investment Liabilities (Interest Rate Swaps)	$	-				

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

4. All-Requirements Project

Cash, cash equivalents and investments for the All-Requirements Project at September 30, 2016, are as follows:

	September 30, 2016	Weighted Average Maturity (Days)	Credit Rating
Restricted	*(000's US$)*		
Cash and Cash Equivalents	$ 76,210		
US Gov't/Agency Securities	20,403	20,303	Aaa/AA+/AAA **
Municipal Bonds	1,984	502	*
Total Restricted	$ 98,597		
Unrestricted			
Cash and Cash Equivalents	$ 52,377		
US Gov't/Agency Securities	38,276	840	Aaa/AA+/AAA **
Municipal Bonds	7,137	1,028	*
Commercial Paper	-		
Total Unrestricted	$ 97,790		
Total	$ 196,387		

*The Municipal Bond ratings range from a best of Aa1/AAA/AAA to a worst of Aa3/A+/A.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the All-Requirements Project at September 30, 2016, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) *(000's US$)*	Significant Other Observable Inputs (Level 2) *(000's US$)*	Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$ -	$ 53,981	$ -
US Treasury Obligations	4,864		
Municipal Bonds		9,133	
Total By Level	$ 4,864	$ 63,114	$ -
Investment Liabilities (Derivative Instruments)			
Interest Rate Swaps	$ -	$ (71,104)	$ -
Total	$ -	$ (71,104)	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 115,781		
Commercial Paper	-		
Wells Fargo Funds	10,015		
CI2 Insurance fund	2,791		
Total Money Market and Mutual Fund Instruments	$ 128,587		
Total Market Value of Assets	$ 196,565		
Accrued Interest(including portion within other current assets of Unrestricted Assets)	(178)		
Market value (less) Accrued Interest	$ 196,387		
Total Investment Liabilities (Interest Rate Swaps)	$ (71,104)		

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

5. Tri-City Project

Cash, cash equivalents and investments for the Tri-City Project at September 30, 2016, are as follows:

	September 30, 2016	Weighted Average Maturity (Days)	Credit Rating
Restricted	*(000's US$)*		
Cash and Cash Equivalents	$ 4,204		
US Gov't/Agency Securities	901	426	Aaa/AAA/AAA **
Municipal Bonds	-		
Commercial Paper	399		
Total Restricted	$ 5,504		
Unrestricted			
Cash and Cash Equivalents	$ 1,260		
US Gov't/Agency Securities	1,055	649	Aaa/AAA/AAA **
Municipal Bonds	107	942	*
Total Unrestricted	$ 2,422		
Total	$ 7,926		

*The Municipal Bond ratings range from a best of Aa1/AAA/AAA to a worst of Aa3/AAA/Baa1.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the Tri-City Project at September 30, 2016, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) *(000's US$)*	Significant Other Observable Inputs (Level 2) *(000's US$)*	Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$ -	$ 1,609	$ -
US Treasury Obligations	353		
Municipal Bonds		109	
Total By Level	$ 353	$ 1,718	$ -
Investment Liabilities (Derivative Instruments)			
Interest Rate Swaps	$ -	$ -	$ -
Total	$ -	$ -	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 5,439		
Commercial Paper	399		
Morgan Stanley Institutional	25		
Total Money Market and Mutual Fund Instruments	$ 5,863		
Total Market Value of Assets	$ 7,934		
Accrued Interest(including portion within other current assets of Unrestricted Assets)	(8)		
Market value (less) Accrued Interest	$ 7,926		
Total Investment Liabilities (Interest Rate Swaps)	$ -		

IV. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

6. Stanton II Project

Cash, cash equivalents and investments for the Stanton II Project at September 30, 2016, are as follows:

		September 30, 2016	Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	13,733		
US Gov't/Agency Securities		6,466	922	Aaa/AA+/AAA **
Municipal Bonds		-		
Total Restricted	$	20,199		
Unrestricted				
Cash and Cash Equivalents	$	6,350		
US Gov't/Agency Securities		20,226	1,080	Aaa/AA+/AAA **
Municipal Bonds		2,424	1,626	*
Commercial Paper		-		
Total Unrestricted	$	29,000		
Total	$	49,199		

*The Municipal Bond ratings range from a best of Aa1/AAA/AAA to a worst of A3/A/A+.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the Stanton II Project at September 30, 2016, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	22,325	$	-
US Treasury Obligations		4,538				
Municipal Bonds				2,441		
Total By Level	$	4,538	$	24,766	$	-
Investment Liabilities (Derivative Instruments)						
Interest Rate Swaps	$	-	$	(14,378)	$	-
Total	$	-	$	(14,378)	$	-
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure						
Cash Equivalents	$	20,083				
Commercial Paper		-				
Morgan Stanley Institutional		-				
Total Money Market and Mutual Fund Instruments	$	20,083				
Total Market Value of Assets	$	49,387				
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(188)				
Market value (less) Accrued Interest	$	49,199				
Total Investment Liabilities (Interest Rate Swaps)	$	(14,378)				

V. Derivative Financial Instruments

FMPA uses derivative instruments to hedge the effects of fluctuations in interest rates and the price of natural gas. In accordance with GASB Statement No. 53, market values of derivative instruments are included on the Statement of Net Position as either an asset or a liability depending on whether FMPA would receive or pay to terminate the instrument on the Statement of Net Position date. If the derivative instruments are determined under the Standard to be effective hedges a deferred cash outflow or a liability is recorded. If the derivative instrument is determined to be not effective under the Standard, then the market value adjustment flows through investment income. The following table shows the classification of the various derivative instruments on the Statement of Net Position.

	Agency Fund	St. Lucie Project	Stanton Project	All -Req Project	Tri-City Project	Stanton II Project
Deferred Outflows from Derivatives						
Interest Rate Swaps - Effective	$ -	$ 22,334	$ -	$ 36,249	$ -	$ 14,378
Total Deferred Outflows from Derivatives	$ -	$ 22,334	$ -	$ 36,249	$ -	$ 14,378
Fair Market Value Derivative Instruments Liabilities						
Hybrid Swap Liability	$ -	$ -	$ -	$ 34,855	$ -	$ -
Market Value Adjustment for Effective Swaps		22,334		36,249		14,378
Natural Gas Storage				135		
Total Fair Value	$ -	$ 22,334	$ -	$ 71,239	$ -	$ 14,378

V. Derivative Financial Instruments (continued)

A. Swap Agreements

Three of FMPA's projects are party to interest rate swap agreements. The objective for entering into these agreements is to convert variable interest rates to fixed rates thus reducing interest rate exposure. The 30-day London Interbank Offered Rate (LIBOR) and the US Consumer Price Index for All Urban Consumers (CPI-U) are used to determine the variable rates received. Interest requirements for variable rate debt are determined using the rate in effect at the financial statement date.

Credit Risk

The swap agreements are subject to credit risk. Counterparty credit ratings and the maximum loss due to credit risk as of September 30, 2016, is listed, by project, in the tables that follow. As part of the swap agreements, if the provider's credit rating drops below certain levels and a termination value indicates an amount that would be payable to the Agency, collateral (or cash in some circumstances) would need to be posted by the counterparty with a third-party custodian if the value of the termination payment exceeds certain threshold levels. Conversely, the Agency would have to post collateral for the same reason in some circumstances.

For the Stanton II 2004 issue, the Agency purchased swap termination insurance and thereby is not obligated to post collateral should there be a decline in a project's credit rating. If the insurance is drawn on to pay a termination payment, the Agency would be required to reimburse the insurance company over a period of time. The 2004, 2005, and 2006 swap agreements provide for monthly netted payments.

The Agency has an approved Debt Management Policy with regard to derivatives whereby approval is required of the appropriate project participants and our financial advisor, prior to entering into swaps or other derivative products. The policy sets minimum standards for all derivative transactions.

Interest Rate Risk

FMPA has entered into swap agreements to fix the interest rate on variable rate bonds for the entirety of the term of the bonds. As interest rates increase above the swap rates, the value of these swaps will increase. As rates decrease below the swap rates, the values will decrease. Depending on the terms of the swap agreement, collateral may have to be posted.

Basis Risk

Basis risk exists on the swap agreements other than those that are tied to the CPI-U Index and ARP series 2011A-1, 2011A-2 & 2011B. The variable rate indices used on these swaps differ from the variable index on the bonds. If there were a mismatch between the indices, the budget process would allow FMPA to adjust rates for this difference.

Termination Risk

Termination values are listed in the following tables as of September 30, 2016. These amounts vary with changes in the market. The swaps may be terminated by the Agency if the counterparty's credit quality falls below certain levels. The Agency or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable rate bonds would continue to pay based on it's variable index. If, at the time of the termination, the swap has a negative fair value to the Agency, the Agency would be liable to the counterparty for a payment equal to the swap's fair value. The Agency also has an optional right to terminate with certain notice and compensation requirements for swap agreements completed in 2004, 2005 and 2006.

V. Derivative Financial Instruments (continued)

A. Swap Agreements (continued)

Market Access Risk

Financial market access risk is the risk that the Agency or any of FMPA's Power Projects could not complete a financial transaction due to the lack of a counterparty at reasonable cost or terms or the inability to complete the transaction in a timely manner, for example, issuing new bonds, selling an investment to raise cash, obtaining or renewing a line or letter of credit. The inability to conduct business as needed could have significant effects on the ability of the Agency or any of its Power Projects to have needed cash balances or access to cash.

Rollover Risk

The Agency is exposed to rollover risk on swaps that may be terminated prior to the maturity of the associated debt. If these swaps are terminated prior to the maturity of the bonds, the Agency will not realize the synthetic fixed rate offered by the swaps on the underlying debt issues. New swaps entered into at the time of termination of the old swaps will likely carry different rates and terms.

GASB Statement No. 53 Effectiveness Testing

The Agency performed effectiveness tests using the Synthetic Instrument Method on all interest rate swaps for its three projects that have these agreements. In addition, the swaps associated with ARP 2008C, 2008D and 2008E required recognition of hybrid loans in 2011 for the change in market value from the original bond date to the date of refundings. The hybrid loan amounts totaled $57.0 million less amortization of $22.1 million for a net of $34.9 million.

1. St. Lucie Project

Swaps Currently Effective
(000's US$)

Notional Amount	*Effective Date*	*Fixed Rate Paid*	*Variable Rate Received*	*Termination Date*	*Fair Value***	*Counterparty*	*Counterparty Credit Rating*
Series 2000							
$ 16,650	7/3/2006	3.444%	72% LIBOR*	10/1/2021	$ (2,259)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
Series 2002							
$ 11,975	7/2/2007	3.481%	72% LIBOR*	10/1/2021	$ (1,646)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
11,975	7/1/2010	3.595%	72% LIBOR*	10/1/2021	(1,714)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
11,975	7/1/2011	3.632%	72% LIBOR*	10/1/2021	(1,736)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
7,825	7/3/2006	3.444%	72% LIBOR*	10/1/2021	(1,061)	Goldman Sachs Bank USA	Baa2/A-/A
11,308	7/1/2010	3.595%	72% LIBOR*	10/1/2021	(1,555)	Goldman Sachs Bank USA	Baa2/A-/A
11,308	7/2/2007	3.481%	72% LIBOR*	10/1/2021	(1,618)	Goldman Sachs Bank USA	Baa2/A-/A
11,308	7/1/2011	3.632%	72% LIBOR*	10/1/2021	(1,639)	Goldman Sachs Bank USA	Baa2/A-/A
67,125	7/3/2006	3.444%	72% LIBOR*	10/1/2021	(9,106)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
$ 144,799					$ (20,075)		
Total Termination Value of Swaps					$ (22,334)		
Prior Year Termination Value of Swaps					$ (23,721)		
Change in Fair Market Value					$ 1,387		

*floating to fixed
**() denotes that termination value payable to the dealer if swap had been terminated 9/30/16

V. Derivative Financial Instruments (continued)

A. Swap Agreements (continued)

2. All-Requirements Project

Swaps Currently Effective
(000's US$)

Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value**	Counterparty	Counterparty Credit Rating
Series 2006A							
6,980	3/30/2006	3.910%	CPI Rate + .81	10/1/2016	(126)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
5,175	3/30/2006	3.910%	CPI Rate + .81	10/1/2016	(93)	Morgan Stanley	Baa2/A-/A
$ 12,155					$ (219)		
Series 2008C							
$ 33,180	10/1/2006	3.701%	72% LIBOR*	10/1/2027	$ (7,698)	Goldman Sachs Bank USA	Baa2/A-/A
11,050	10/1/2006	3.665%	72% LIBOR*	10/1/2026	(2,423)	JP Morgan Chase & Co.	A3/A/A+
2,684	10/1/2006	3.656%	72% LIBOR*	10/1/2026	(583)	JP Morgan Chase & Co.	A3/A/A+
224	10/1/2006	3.612%	72% LIBOR*	10/1/2026	(48)	JP Morgan Chase & Co.	A3/A/A+
33,180	10/1/2006	3.649%	72% LIBOR*	10/1/2027	(7,556)	Morgan Stanley	Baa2/A-/A
33,180	10/1/2006	3.697%	72% LIBOR*	10/1/2027	(7,689)	Merrill Lynch Capital Services, Inc.	Baa1/A-/A
20,125	10/1/2006	3.669%	72% LIBOR*	10/1/2025	(2,860)	UBS AG	A2/A/A
19,050	10/1/2006	3.737%	72% LIBOR*	10/1/2035	(6,827)	Wells Fargo Bank, NA	A3/A+/AA-
$ 152,673					$ (35,684)		
Series 2011A-2							
$ 42,000	10/1/2006	5.175%	100% LIBOR*	10/1/2025	$ (14,219)	Wells Fargo Bank, NA	A3/A+/AA-
Series 2011A-1 & 2011B							
$ 15,000	10/1/2006	3.667%	72% LIBOR*	10/1/2030	$ (4,471)	JP Morgan Chase & Co.	A3/A/A+
25,000	10/1/2006	3.709%	72% LIBOR*	10/1/2030	(7,568)	JP Morgan Chase & Co.	A3/A/A+
30,000	10/1/2006	3.667%	72% LIBOR*	10/1/2030	(8,943)	JP Morgan Chase & Co.	A3/A/A+
$ 70,000					$ (20,982)		

Total Swap Terminaton Value	$ (71,104)
Effective Swaps	$ (36,249)
Hybrid Loans	(34,855)
	$ (71,104)
Prior Year Termination Value of Effective Swaps and Hybrid Loans	$ (64,753)
Change in Fair Market Value	$ (6,351)

*floating to fixed
** ( ) denotes that termination value payable to dealer if swap had been terminated 9/30/16

V. Derivative Financial Instruments (continued)

A. Swap Agreements (continued)

3. Stanton II Project

(000's US$)

Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value**	Counterparty	Counterparty Credit Rating
Series 2000							
$ 7,648	10/1/2006	4.049%	72% LIBOR*	10/1/2027	$ (2,414)	Bank of America N.A.	Baa1/A-/A
10,227	10/1/2006	4.071%	72% LIBOR*	10/1/2027	(3,251)	JP Morgan Chase & Co.	A3/A/A+
$ 17,875					$ (5,665)		
Series 2004							
$ 27,662	8/5/2004	3.863%	72% LIBOR*	10/1/2027	$ (4,359)	Bank of America N.A.	Baa1/A-/A
27,663	8/5/2004	3.863%	72% LIBOR*	10/1/2027	(4,354)	UBS AG	A2/A/A
$ 55,325					$ (8,713)		
Total Swap Termination Value					$ (14,378)		
Prior Year Termination Value of Swaps					$ (13,981)		
Change in Fair Market Value					$ (397)		

*floating to fixed
**() denotes that termination value payable to the dealer if swap had been terminated 9/30/16

B. Natural Gas Futures, Contracts and Options

FMPA uses New York Mercantile Exchange (NYMEX) and over the counter, natural gas futures contracts, options on futures contracts and fixed-price firm physical purchases of natural gas as a tool to establish the cost of natural gas that will be needed by the All-Requirements Project in the future (next month or several years from now). NYMEX and over the counter futures contracts can be used to obtain physical natural gas supplies, however all futures contracts that FMPA enters into will be financially settled before physical settlement is required by the Exchange. Any gain or loss of value in these futures contracts are ultimately rolled into the price of natural gas burned in the Project's electric generators. As of September 30, 2016 FMPA has 74 contracts outstanding, valued at $135,000, which will expire in January and Feburary 2017.

VI. Regulatory Assets (Net Costs Refundable/Future Participant Billings

FMPA has elected to apply the accounting methods for regulatory operations of GASB No. 62. Billing rates are established by the Board of Directors or Executive Committee and are designed to fully recover each project's costs over the life of the project, but not necessarily in the same year that costs are recognized under generally accepted accounting principles (GAAP). Instead of GAAP costs, annual participant billing rates are structured to systematically recover current debt service requirements, operating costs and certain reserves that provide a level rate structure over the life of the project which is equal to the amortization period. Accordingly, certain project costs are classified as deferred on the accompanying Statement of Net Position as a regulatory asset, titled "Net costs recoverable/future participant billings," until such time as they are recovered in future rates. Types of deferred costs include depreciation and amortization in excess of bond principal payments, and prior capital construction interest costs.

In addition, certain billings recovering costs of future periods have been recorded as a regulatory liability, titled "Net costs refundable/future participant billings", or as a reduction of deferred assets on the accompanying Statement of Net Position. Types of deferred revenues include billings for certain reserve funds and related interest earnings in excess of expenditures from those funds, and billings for nuclear fuel purchases in advance of their use.

VII. Restricted Net Position

Bond resolutions require that certain designated amounts from bond proceeds and project revenues be deposited into designated funds. These funds are to be used for specific purposes and certain restrictions define the order in which available funds may be used. Other restrictions require minimum balances or accumulation of balances for specific purposes. At September 30, 2016, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2016, are as follows:

	(000's US$)					
	Agency Fund	**St. Lucie Project**	**Stanton Project**	**All-Req Project**	**Tri-City Project**	**Stanton II Project**
Debt Service Funds	$ -	$ 102,123	$ 8,265	$ 77,794	$ 3,167	$ 14,334
Reserve & Contingency Funds		12,195	5,338	20,834	2,339	5,881
Decomissioning Fund		73,257				
Rate Stabilization Accounts	2,278					
Accrued Interest on Long-Term Debt		(4,020)	(843)	(20,215)	(134)	(1,932)
Accrued Decommissioning Expenses		(72,847)				
Rate Stabilization Accounts	(2,278)					
Total Restricted Net Assets	$ -	$ 110,708	$ 12,760	$ 78,413	$ 5,372	$ 18,283

Restrictions of the various bank funds are as follows:

- Debt service funds include the Debt Service Account, which is restricted for payment of the current portion of the bond principal and interest and the Debt Service Reserve Account, which includes sufficient funds to cover one half of the maximum annual principal and interest requirement of the specific fixed rate issues or 10% of the original bond proceeds.
- Reserve and Contingency Funds are restricted for payment of major renewals, replacements, repairs, additions, betterments and improvements for capital assets.

VII. Restricted Net Position (continued)

- If, at any time, the Debt Service Fund is below the current debt requirement and there are not adequate funds in the General Reserve Fund to resolve the deficiency, funds will be transferred from the Reserve and Contingency Fund to the Debt Service Fund.
- Decommissioning Funds are restricted and are funded for the payment of costs related to the decommissioning, removal and disposal of FMPA's ownership on nuclear power plants.
- Project Funds are used for the acquisition, construction and capitalized interest, as specified by the participants.
- Revenue Funds are restricted under the terms of outstanding resolutions.

VIII. Long-Term Debt

A. Debt

FMPA enters into Long-term debt to fund different projects. The type of Long-term debt differs among each of the projects. A description and summary of Long-term debt at September 30, 2016, is as follows:

1. Agency Fund

	2016 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Wells Fargo Loan 2010	$ 820	$ -	$ (190)	$ 630	$ 200
	$ 820	$ -	$ (190)	$ 630	$ 200

Loan Payable to Well Fargo Bank

The Agency Fund has one loan payable to Wells Fargo Bank at September 30, 2016. Interest is payable semi-annually at a fixed rate of 3.3%. Principal is payable in three annual payments ranging from $200,000 to $220,000 with the final payment due July 1, 2019.

VIII. Long-Term Debt (continued)

2. St. Lucie Project

	2016 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Refunding 2000	$ 16,650	$ -	$ -	$ 16,650	$ -
Refunding 2002	144,800			144,800	
Bonds 2009A	25,520		(3,135)	22,385	3,290
Bonds 2010A	13,870		(1,800)	12,070	1,850
Bonds 2011A	31,160		(3,185)	27,975	1,000
Bonds 2011B	24,305			24,305	
Bonds 2012A	58,870			58,870	
Bonds 2013A	15,660		(1,120)	14,540	1,150
Total Principal	$ 330,835	$ -	$ (9,240)	$ 321,595	$ 7,290
Less Deferred Premiums And Discounts	10,652		(1,349)	9,303	
Total Revenue Bonds	$ 341,487	$ -	$ (10,589)	$ 330,898	$ 7,290
Unamortized loss on advanced refunding	$ (20,686)	$ -	$ 2,894	$ (17,792)	$ -

The 2000 and 2002 bonds are variable rate bonds and the variable interest rates ranged between .114% and 1.365% for the year ended September 30, 2016. The 2009A bonds have an interest rate of 5% from 2015 through 2021. The 2010A bonds have a fixed interest rate of 2.72% from 2015 through 2021. The 2011A and 2011B bonds are fixed, and have a series of maturity dates from 2015 to 2026. The rates for the 2011A bonds range from 3.125 to 5.0%, and the rate for the 2011B bonds range from 4.375% to 5.0%. The 2012A bonds have a fixed interest rate of 5.0%, and mature in 2026. The 2013A bonds have a fixed interest rate of 2.73%, and mature in 2026.

The Series 2000 & 2002 bonds are subject to redemption prior to maturity at the election of FMPA on any interest payment date at a call rate of 100%. The Series 2012 bonds are subject to redemption prior to maturity at the election of FMPA on or after October 1, 2022, at a call rate of 100%.

VIII. Long-Term Debt (continued)

3. Stanton Project

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
	2016 (000's US$)				
Revenue Bonds					
Refunding 2008	29,255		(1,630)	27,625	6,350
Bonds 2009A	5,750		(1,010)	4,740	1,060
Bonds 2013A	3,625		(3,625)	0	0
Wells Fargo Bank Taxable	574		(133)	441	140
Total Principal	$ 39,204	$ -	$ (6,398)	$ 32,806	$ 7,550
Less Deferred Premiums And Discounts	69		(26)	43	
Total Bonds and Loans	$ 39,273	$ -	$ (6,424)	$ 32,849	$ 7,550
Unamortized loss on advanced refunding	$ (353)	$ -	$ 138	$ (215)	$ -

The 2008 and 2009A revenue bonds are fixed at interest rates which range from 4.5% to 5.5%.

Loan Payable to Wells Fargo Bank

In December 2003, the Stanton Project entered into a taxable loan with Wells Fargo Bank to finance a partial interest in the brine plant facility at the Stanton Energy Center.

VIII. Long-Term Debt (continued)

A. Debt (continued)

4. All-Requirements Project

	2016 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Bonds 2006A	$ 32,255	$	$ (15,865)	$ 16,390	$ 16,390
Bonds 2008A	500,980		(342,835)	158,145	8,690
Bonds 2008B	36,305		(9,285)	27,020	7,970
Bonds 2008C	153,025		(352)	152,673	1,500
Bonds 2009A	142,620		(122,265)	20,355	4,845
Bonds 2009B	15,235			15,235	
Bonds 2011A-1	29,394		(1,394)	28,000	108
Bonds 2011B	44,091		(2,091)	42,000	162
Bonds 2011A-2	42,220		(220)	42,000	20
Bonds 2013A	13,720		(1,325)	12,395	1,370
Bonds 2015B	115,770			115,770	
Bonds 2016A	0	424,120		424,120	
Total Principal	$ 1,125,615	$ 424,120	$ (495,632)	$ 1,054,103	$ 41,055
Capital Leases and Other					
KUA - TARP	$ 151,803	$ -	$ (11,195)	$ 140,608	$ 11,825
Keys - TARP	2,976		(548)	2,428	571
St. Lucie County	572		(45)	527	47
Total Other Liabilities	$ 155,351	$ -	$ (11,788)	$ 143,563	$ 12,443
Total Principal & Capital Lease	$ 1,280,966	$ 424,120	$ (507,420)	$ 1,197,666	$ 53,498
Less Deferred Premiums And Discounts	18,521	84,877	(8,209)	95,189	
Total Revenue Bonds & Capital Lease	$ 1,299,487	$ 508,997	$ (515,629)	$ 1,292,855	$ 53,498
Unamortized loss on advanced refunding	$ (4,864)	$ (54,468)	$ 6,493	$ (52,839)	$ -

The 2008C, 2011A-1, 2011B, and 2011A-2 bonds are variable rate bonds, and the variable interest rates ranged from .010% to 1.50322% for the year ended September 30, 2016.

VIII. Long-Term Debt (continued)

A. Debt (continued)

4. All-Requirements Project (continued)

Portions of the Series 2008A, 2008C, 2009A, 2011A-1, 2011B, 2011A-2, 2015B, and 2016A bonds are subject to redemption prior to maturity at the election of FMPA at a call rate of 100%. The Series 2006A, 2008B and 2009B Bonds are not subject to redemption prior to maturity.

KUA – TARP Capital Lease Obligation

Effective October 1, 2008, the Capacity and Energy Sales Contract with KUA was revised. Under the revised contract, KUA receives agreed upon-fixed payments over preset periods relating to each of their generating units. FMPA assumed all cost liability and operational management of the generating units. FMPA is accounting for this transaction as a capital lease. Total minimum payments remaining under the agreement at September 30, 2016, amount to $183.3 million and the present value of these payments is $140.6 million. The capital assets at September 30, 2016 include Facilities and Equipment of $218.0 million less Accumulated Depreciation of $107.4 resulting in a net book value of $110.6 million.

Keys – TARP Capital Lease Obligation

Effective January 1, 2011, the Capacity and Energy Sales Contract with Keys Energy Services was revised. Under the contract, Keys Energy Services receives agreed-upon fixed payments over preset periods relating to each of their generating units. FMPA assumed all cost liability and operational management of the generating units. FMPA is accounting for this transaction as a capital lease. Total minimum payments remaining under the agreement at September 30, 2016 amount to $2.7 million and the present value of these payments is $2.4 million. The capital assets at September 30, 2016 include Facilities and Equipment of $4.8 million less Accumulated Depreciation of $2.8 million resulting in a net book value of $2.0 million.

St. Lucie County

As a condition of obtaining its conditional use permit for the construction and operation of the Treasure Coast Energy Center, the All-Requirements project agreed to pay St. Lucie County, Florida $75,000 a year for a period of 20 years. Upon commercial operation of the plant, the unpaid amounts were discounted at a rate of 5.3% and capitalized to plant. At September 30, 2016, nine payments remain under this obligation with the final payment to be made September 30, 2025.

Line of Credit

The All-Requirements Project has two lines of credit - one from JPMorgan Chase in the amount of $75 million, and one from Wells Fargo Bank in the amount of $25 million. The JPMorgan Chase line expires in July 2019. The Wells Fargo line expires in November 2019.

Other Credit Facilities

The All-Requirements Project series 2008C bonds are Variable Rate Demand Obligations secured by an irrevocable letter of credit as follows:

2008C	Bank of America	$154.4 million

The letter of credit will expire on May 19, 2018.

2016A Debt Issuance

On April 5, 2016 the All-Requirements Project issued $424.1 million of 2016A Bonds at a $84.9 million premium, the proceeds will be used to refund $452.9 million of portions of the 2008A and 2009A Bonds. The gross savings are $63.7 million and the net present value savings are $52.4 million.

VIII. Long-Term Debt (continued)

A. Debt (continued)

5. Tri-City Project

Business-Type Activities	2016 (000's US$) Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds					
Bonds 2009A	1,675		(300)	1,375	315
Bonds 2013A	13,875		(2,670)	11,205	2,720
Wells Fargo Taxable	206		(48)	158	50
Total Principal	$ 15,756	$ -	$ (3,018)	$ 12,738	$ 3,085
Less Deferred Premiums And Discounts	10		(4)	6	
Total Bonds and Loans	$ 15,766	$ -	$ (3,022)	$ 12,744	$ 3,085
Unamortized loss on advanced refunding	$ (515)	$ -	$ 194	$ (321)	$

The 2009A and 2013A revenue bonds are fixed at interest rates which range from 1.88% to 4.0% and have a maturity date of 2019.

Loan Payable to Wells Fargo Bank

In December 2003, the Tri-City Project entered into a taxable loan with Wells Fargo Bank to finance a partial interest in the brine plant facility at the Stanton Energy Center.

VIII. Long-Term Debt (continued)

A. Debt (continued)

6. Stanton II Project

	2016 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Refunding 2000	$ 17,875	$ -	$ -	$ 17,875	$ -
Refunding 2004	50,425		(2,625)	47,800	
Bonds 2009A	5,545		(215)	5,330	200
Refunding 2012A	71,245		(5,060)	66,185	5,250
Wells Fargo Taxable	901		(209)	692	220
Total Principal	$ 145,991	$ -	$ (8,109)	$ 137,882	$ 5,670
Less Deferred Premiums And Discounts	8,149		(1,321)	6,828	
Total Bonds and Loans	$ 154,140	$ -	$ (9,430)	$ 144,710	$ 5,670
Unamortized loss on advanced refunding	$ (6,346)	$ -	$ 777	$ (5,569)	$ -

The 2000 and 2004 revenue bonds carry variable interest rates which ranged from .138% to 1.365% for the year ended September 30, 2016. The 2009 and 2012 revenue bonds are fixed, and have a maturity date of 2027. The rates for the bonds range from 3.0% to 5.0%.

The Series 2000 and 2004 bonds provide for early redemption at the election of FMPA on any interest payment date at a call rate of 100%. The Series 2012 bonds are subject to redemption prior to maturity at the election of FMPA at 100%, beginning October 1, 2022.

Loan Payable to Wells Fargo Bank

In December 2003, the Stanton II Project entered into a taxable loan with Wells Fargo Bank to finance a partial interest in the brine plant facility at the Stanton Energy Center.

B. Major Debt Provisions (All Projects)

Bonds, which are special obligations of FMPA, are payable solely from (1) revenues less operating expenses (both as defined by the respective bond resolutions) and (2) other monies and securities pledged for payment thereof by the respective bond resolutions. The respective resolutions require FMPA to deposit into special funds all proceeds of bonds issued and all revenues generated as a result of the projects' respective Power Sales and Power Support Contracts or the Power Supply Contract. The purpose of the individual funds is also specifically defined in the respective bond resolutions.

Investments are generally restricted to those types described in Note I. Additional restrictions that apply to maturity dates are defined in the respective bond resolutions and FMPA's investment policy.

VIII. Long-Term Debt (continued)

C. Defeased Debt

The following bonds have been defeased. Since investments consisting of governmental obligations are held in escrow for payment of principal and interest, the bonds are not considered liabilities of FMPA for financial reporting purposes. The principal balances of the defeased bonds at September 30, 2016 are as follows:

Dated	Description	Defeased Portion Amount Originally Issued (000's US$)	Balance at September 30, 2016
May 1983	St. Lucie Project Revenue Bonds, Series 1983	$280,075	$28,137
April 2016	All-Requirements Revenue Bonds, 2008A & Revenue Bonds, 2009A	$452,880	$509,974

D. Annual Requirements

The annual cash flow debt service requirements to amortize the long term bonded debt outstanding as of September 30, 2016, are as follows:

(000's US$)

Fiscal Year Ending September	St. Lucie Project Principal	St. Lucie Project Interest Including Swaps, Net	Stanton Project Principal	Stanton Project Interest Including Swaps, Net	All-Req Project Principal	All-Req Project Interest Including Swaps, Net	Tri-City Project Principal	Tri-City Project Interest	Stanton II Project Principal	Stanton II Project Interest Including Swaps, Net	Totals
2017	7,290	12,831	7,410	1,490	41,055	61,637	3,035	259	5,450	5,964	146,421
2018	10,180	12,491	7,785	1,106	48,050	47,953	3,095	196	8,450	5,630	144,936
2019	7,825	12,142	8,185	694	162,380	42,708	3,160	130	8,775	5,270	251,269
2020	9,515	11,783	8,985	240	68,155	37,148	3,290	62	9,420	4,863	153,461
2021	27,320	10,938			53,885	33,072			9,845	4,437	139,497
2022 - 2026	193,760	25,413			272,060	126,218			56,255	14,980	688,686
2027 - 2031	65,705	1,646			310,803	63,021			38,995	2,376	482,546
2032 - 2036					97,715	4,009					101,724
Total Principal & Interest	$ 321,595	$ 87,244	$ 32,365	$ 3,530	$ 1,054,103	$ 415,766	$ 12,580	$ 647	$ 137,190	$ 43,520	$ 2,108,540
Less:											
Interest		(87,244)		(3,530)		(415,766)		(647)		(43,520)	(550,707)
Unamortized Loss on refunding	(17,792)		(215)		(52,838)		(321)		(5,569)		(76,735)
Add:											
Unamortized Premium (Discount), net	9,303		43		95,189		6		6,828		111,369
Total Net Debt Service Requirement at September 30, 2016	$ 313,106	$ -	$ 32,193	$ -	$ 1,096,454	$ -	$ 12,265	$ -	$ 138,449	$ -	$ 1,592,467

VIII. Long-Term Debt (continued)

D. Annual Requirements (continued)

The annual cash flow debt service requirements to amortize all long term debt outstanding as of September 30, 2016, are as follows:

(000's US$)

Fiscal Year Ending September	Agency Fund		St. Lucie Project		Stanton Project		All-Req Project		Tri-City Project		Stanton II Project		Totals
	Principal	Interest Including Swaps, Net	Principal	Interest Including Swaps, Net	Principal	Interest	Principal	Interest Including Swaps, Net	Principal	Interest	Principal	Interest Including Swaps, Net	
2017	200	21	7,290	12,831	7,550	1,497	53,208	68,931	3,085	261	5,670	5,974	166,518
2018	210	14	10,180	12,490	7,932	1,110	61,161	54,579	3,148	197	8,680	5,637	165,338
2019	220	7	7,825	12,142	8,339	696	176,195	48,631	3,215	131	9,017	5,273	271,691
2020			9,515	11,783	8,985	240	82,697	42,344	3,290	62	9,420	4,863	173,199
2021			27,320	10,938			64,619	37,567			9,845	4,433	154,722
2022 - 2026			193,760	25,413			335,344	139,297			56,255	14,980	765,049
2027 - 2031			65,705	1,646			326,727	63,549			38,995	2,376	498,998
2032 - 2036							97,715	4,009					101,724
Total Principal & Interest	$ 630	$ 42	$ 321,595	$ 87,243	$ 32,806	$ 3,543	$ 1,197,666	$ 458,907	$ 12,738	$ 651	$ 137,882	$ 43,536	$ 2,297,239

IX. Commitments and Contingencies

A. Participation Agreements

FMPA has entered into participation agreements, and acquired through capital leases, individual ownership of generating facilities as follows:

Project	Operating Utility	Joint Ownership Interest	Commercial Operation Date
St. Lucie	Florida Power & Light	8.806% of St. Lucie Unit 2 nuclear plant	August 1983
Stanton*	Orlando Utilities Commission (OUC)	14.8193% of Stanton Energy Center (SEC) Unit 1 coal-fired plant	July 1987
All-Requirements*	OUC	11.3253% of SEC Unit 1	July 1987
Tri-City*	OUC	5.3012% of SEC Unit 1	July 1987
All-Requirements	OUC	51.2% of Indian River Units A & B combustion turbines	A - June 1989 B - July 1989
All-Requirements	OUC	21% of Indian River Units C & D combustion turbines	C - August 1992 D - October 1992
All-Requirements	OUC	5.1724% of SEC Unit 2 coal-fired plant	June 1996
Stanton II	OUC	23.2367% of SEC Unit 2	June 1996
All-Requirements	Southern Company	7% of Stanton Unit A combined cycle	October 2003

*OUC has the contractual right to unilaterally make any retirement decision for SEC Unit 1 beginning in 2017

IX. Commitments and Contingencies (continued)

A. Participation Agreements (continued)

Operational control of the electric generation plants rests with the operating utility and includes the authority to enter into long-term purchase obligations with suppliers. FMPA is liable under its participation agreements for its ownership interest of total construction and operating costs. Further contracts with Orlando Utilities Commission (OUC) include commitments for purchases of coal. According to information provided by OUC, such existing commitments are currently scheduled to terminate on December 31, 2017. However, OUC reports that it is in the intial stage of securing coal beyond this date. Through participation with OUC, FMPA's estimated cost share of the existing purchases by project for the next five fiscal years is summarized below.

	000's US$				
Project	2017	2018	2019	2020	2021
Stanton Project	$ 7,011	$ 494	None	None	None
All-Requirements Project	7,805	550	None	None	None
Tri-City Project	2,508	177	None	None	None
Stanton II Project	10,993	775	None	None	None

B. Public Gas Partners, Inc.

Public Gas Partners, Inc. (PGP) is a nonprofit corporation of the State of Georgia, duly created and existing under the Georgia Nonprofit Corporation Code, O.C.G.A Sections 14-3-101 through 14-3-1703, as amended. Pursuant to its Articles of Incorporation and by-laws, PGP's purpose is to acquire and manage reliable and economical natural gas supplies through the acquisition of interests in natural gas producing properties and other long-term sources of natural gas supplies for the benefit of participating joint action agencies and large public natural gas and power systems.

On November 16, 2004, FMPA signed an agreement with six other public gas and electric utilities in five different states to form PGP. The initial members of PGP, along with FMPA, included Municipal Gas Authority of Georgia, Florida Gas Utility, Lower Alabama Gas District, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. Florida Gas Utility has left the organization, and their interest was acquired by all members, except for FMPA and the Tennessee Energy Acquisition Corporation, as of May 2008. Lower Alabama Gas District has assigned its interest in each Pool to the Gas Authority effective October 2013.

FMPA has entered into two separate Production Sharing Agreements (PSAs) that obligate FMPA to pay as a component of gas operations expense its share of all costs incurred by the related PGP Pool until all related PGP or participant debt has been paid and the last volumes have been delivered. In addition, PGP has the option, with at least six months notice, to require FMPA to prepay for its share of pool costs, which may be financed by FMPA through the issuance of bonds or some other form of long-term financing. The PSAs include a step-up provision that could obligate FMPA to increase its participation share in the pool by up to 25% in the event of default by another member.

On November 1, 2004, FMPA entered into a PSA as a 22.04% participant of PGP Gas Supply Pool No. 1 (PGP Pool #1). PGP Pool #1 was formed by all of the participants. PGP Pool #1 had targeted an initial supply portfolio capable of producing 68,000 mmBtu per day of natural gas or 493 Bcf over a 20-year period. The acquisition period for PGP Pool #1 has closed after acquiring a supply currently estimated to be 140 Bcf. Current production from Pool #1 is approximantly 15,800 mmBtu per day. FMPA's share of this amounts to 3,300 mmBtu per day.

IX. Commitments and Contingencies (continued)

B. Public Gas Partners, Inc. (continued)

On October 1, 2005, FMPA entered into a PSA as a 25.90% participant of PGP Gas Supply Pool No. 2 (PGP Pool #2). PGP Pool #2 was formed to participate in specific transactions that have different acquisition criteria than PGP Pool #1. PGP Pool #2 had a total expenditure limit of $200 million, with FMPA's share being $52 million as authorized by the Board (before step-up provisions which would increase ARP's commitment to a maximum of $65 million). The other members of PGP Pool #2, along with FMPA, include Municipal Gas Authority of Georgia, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. FMPA entered into a separate agreement with Fort Pierce Utilities Authority whereby FMPA agreed to sell to FPUA 3.474903% of the benefits that FMPA receives from its participation in PGP Pool #2. The acquisition period for PGP Pool #2 has closed after acquiring a supply currently estimated to be 42 Bcf. Current production for PGP Pool #2 is approximantly 2,800 mmBtu per day. FMPA's share of this amounts to 700 mmBtu per day.

FMPA's share of the total investment costs amounts to approximately $100 million for PGP Pool #1, and $29 million for PGP Pool #2 as of September 30, 2016.

C. Contractual Service Agreements

The All-Requirements Project has signed, or accepted assignment of, Contractual Service Agreements (CSAs) with General Electric International, Inc. (GE) for the Treasure Coast Energy Center, Cane Island 3 and Cane Island 4 combustion turbines, steam turbines and generators. The CSAs cover specified monitoring and maintenance activities to be performed by GE over the contract term, which is the earlier of a specified contract end date, or a performance end date based on reaching certain operating milestones of either Factor Fired Hours or Factored Starts on the combustion turbines. GE or FMPA may terminate the agreements for the breach of the other party. The defaulting party pays the termination amount based on the performance metric specified in the contract.

On March 31, 2016 Cane Island Unit 2 CSA was transitioned to a Managed Maintenance Program (MMP). The MMP does not have a factored start or hours payment, and maintenance is paid for at the time its incurred at prenegotiated discounts.

The following is a summary of the contract status.

	Treasure Coast	Cane Island Unit 2	Cane Island Unit 3	Cane Island Unit 4
Original Effective Date	1/30/2007	3/31/2016	12/12/2003	12/22/2010
Last Amendment Effective Date	12/22/2010		1/1/2011	N/A
Cumulative Factor Fired Hours	66,596	81,203	102,343	38,387
Term if hours based	72,000		120,000	72,000
Cumulative Factored Starts				
Term if starts based				
Current Termination Amount (000's USD)	$526		$2,044	$1,585
Specified Contract End Date	1/30/2022		12/12/2023	12/22/2025
Estimated Performance End Date	FYE 2018	FYE 2019	FYE 2019	FYE 2020

IX. Commitments and Contingencies (continued)

D. Other Agreements

FMPA has entered into certain long-term contracts for transmission services for its projects. These amounts are recoverable from participants in the projects (except the All-Requirements Project) through the Power Sales and Project Support Contracts. FMPA has entered into Power Sales and Project Support Contracts with each of the project participants for entitlement shares aggregating 100% of FMPA's joint ownership interest. In the case of the All-Requirements Project, a Power Supply Contract was entered into providing for the participant's total power requirements (except for certain excluded resources). Revenues received under these individual project contracts are expected to be sufficient to pay all of the related project costs.

1. St. Lucie Project

- FMPA has entered into a Reliability Exchange Agreement and a Replacement Power Agreement with FPL. The Reliability Exchange agreement results in FMPA exchanging 50% of its share of the output from St. Lucie Unit 2 for a like amount from the St. Lucie Unit 1. This agreement expires on October 1, 2017. The Replacement Power Agreement provides for replacement power and energy to be made available to FMPA if FPL voluntarily ceases to operate or reduces output from St. Lucie Unit 2 or St. Lucie Unit 1 for economic reasons or valley-load conditions, until each unit is retired from service or, in the case of St. Lucie Unit 1, if the Reliability Exchange Agreement terminates prior to the retirement date of that unit.

- The St. Lucie Project, a joint owner of St. Lucie Unit 2, is subject to the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, FPL maintains $375 million of private liability insurance for the St. Lucie plant, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $13.1 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, St. Lucie Unit 2 is subject to retrospective assessments of up to approximately $127.3 million, plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed approximately $19.0 million per incident per year. FMPA is contractually liable for its ownership interest of any assessment made against St. Lucie Unit 2 under this plan.

- FPL further participates in a nuclear insurance mutual company that provides $2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at the St. Lucie plant and a sublimit of $1.5 billion for non-nuclear perils. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if St. Lucie Unit 2 is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, St. Lucie Unit 2 could be assessed up to approximately $28 million, plus any applicable taxes, in retrospective premiums in a policy year. FPL is contractually entitled to recover FMPA's ownership share of any such assessment made against St. Lucie 2.

- On December 16, 1999, FMPA and J.P. Morgan Chase (formerly Chase Manhattan Bank) entered into a Forward Delivery Agreement for a portion of the St. Lucie Decommissioning Trust. The agreement provides that J.P. Morgan Chase deliver securities initially with a value not to be less than $10,225,000 for an equivalent payment. Upon maturity, the securities and the yield earned along with any cash delivered by J.P. Morgan Chase will be equivalent to 7.03% of the face value of the Agreement. The Forward Sale Agreement has a termination date of April 6, 2023.

IX. Commitments and Contingencies (continued)

D. Other Agreements (continued)

1. St. Lucie Project (continued)

- In June 2004, the Agency entered into a Forward Sale Agreement and a Credit Support Agreement for the St. Lucie Project with Merrill Lynch. The Credit Support Agreement requires the Agency to establish a collateral account with the Trustee that must contain cash and securities that have a market value of $7.5 million. This collateral is posted for the benefit of Merrill Lynch should the Agency be unable to keep its commitments under the Forward Sale Agreement. Under the Forward Sale Agreement, Merrill Lynch is required to deliver and the Trustee is required to purchase certain eligible securities on behalf of the St. Lucie Project. Under this Agreement, the securities or securities and cash to be delivered will guarantee the project an annual effective yield of 6.22% between January 1, 2005, and July 1, 2026, on the semi-annual amounts deposited. It is expected that the amounts invested pursuant to the Forward Sale Agreement will be used to redeem bonds outstanding for this project in the future.

2. All-Requirements Project

- FMPA supplies all of the wholesale power needs, unless limited to a contract rate of delivery, of the All-Requirements Project participants (except for certain excluded resources). In addition to its ownership facilities, FMPA has entered into interchange and power purchase contracts with minimum future payments as detailed below.

Supplier	End of Contract		Minimum Future Payments (000's US$)
Southern Company - Stanton A PPA	9/30/2023	$	59,001
Southern Company - Oleander 5 PPA	12/16/2027		97,689
Total Minimum Liability		$	156,690

- In October 2003, FMPA executed contracts for a $10 million investment in a brine water processing plant and other water facilities at the Stanton Energy Center in Orlando, Florida.

  The Stanton Unit A combined cycle generator receives cooling water treatment services from the brine plant and associated facilities. The owners of Stanton Unit A (Southern Company Florida, FMPA, KUA and Orlando Utilities Commission) pay the owners of Stanton Energy Center Units 1 and 2 (including FMPA's Stanton, Stanton II, Tri-City and All-Requirements Projects) a fixed and a variable operation and maintenance charge for services received from this facility.

IX. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All-Requirements Project (continued)

- The All-Requirements Project has several commitments/entitlements for natural gas transportation services to supply fuel to its owned and leased generation facilities. Below were the current commitments/entitlements during the past year.

Pipeline	Ave Daily Volume (mmBtu/day)	Annual Cost (000's US$)	Expiration	Primary Delivery/Receiving Point
Fl Gas Transmission FTS-1	22,426	$ 4,516	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2	71,930	17,112	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2 Stanton A	14,950	3,177	Various	Stanton A
Transco	50,000	1,818	4/30/2026	FGT
TECO-Peoples Gas	-	750	12/31/2033	Treasure Coast
TECO- Peoples Gas	-	750	12/31/2033	Cane Island/Oleander
		$ 28,123		

- The All-Requirements Project has entered into a storage contract with SG Resources Mississippi LLC, for 1 million mmBtu of storage capacity in the Southern Pines Storage facility. The contract was effective August 1, 2008, for storage capacity of 500,000 mmBtu and revised April 1, 2011, to increase the storage capacity by 500,000 mmBtu. The contract will expire July 31, 2018, for 500,000 mmBtu and March 31, 2021, for the remaining 500,000 mmBtu.

- The All-Requirements Project is under a contractual arrangement to have generation facilities in Key West, Florida, at a minimum level of 60% of the island utility's weather normalized annual peak capacity requirements. With installed capacity of 112 MW located in the Key West service territory, the All-Requirements Project believes it has sufficient existing generating capacity to fulfill the 60% on-island generation requirement well beyond the next decade.

- FMPA has entered into the Florida Municipal Power Pool (FMPP) Agreement, as amended, with the FMPP members. Pursuant to Amendment 6 – the most recent Amendment, excecuted June of 2013 – the term of the agreement is three years, with automatically-renewed three-year term extensions. The current term ends June 1, 2019. Any party wishing to withdraw from the agreement must provide at least three years notice to the other FMPP members. The FMPP Agreement documents, among other things, how FMPP operating costs are accounted for and allocated among the members, and liability between the FMPP members.

- The All Requirements Project has signed contracts with Fort Pierce Utilities Authority (FPUA), Kissimmee Utility Authority (KUA) and Keys Energy Services (KES) to operate and maintain Treasure Coast Energy Center, Cane Island Power Park and Stock Island generation facilities, respectively. The contracts provide for reimbursement of direct and indirect costs incurred by FPUA, KUA and KES, for operating the plants. The All-Requirements Project, in consultation with FPUA, KUA and KES, sets staffing levels, operating and capital budgets, and operating parameters for the plants.

IX. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All-Requirements Project (continued)

- The City of Starke and the City of Green Cove Springs have each given FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Project Contract that the term of their respective contracts will stop renewing automatically each year. The terms of their respective contracts are now fixed; Starke's contract terminates on October 1, 2035, and Green Cove Springs' contract terminates on October 1, 2037.

- The City of Green Cove Springs has notified FMPA that it will limit its All-Requirements Service to a contract rate of delivery, as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation will commence January 1, 2020.

- The City of Vero Beach has limited its All-Requirements Service to a contract rate of delivery, as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitations commenced January 1, 2010 and continue for the term of the ARP Contract. In February of 2013, Vero Beach signed a purchase and sale agreement to sell its electric system to FPL. However, Vero Beach has been unable to dispose of its interests in FMPA's non-All-Requirements Projects, which is a condition of the sale. Although there are no current proposals to complete the sale, the purchase and sale agreement between Vero Beach and FPL remains in effect until December 21, 2016. Any agreement tentatively reached, however, will require the approval of not only Vero Beach, FPL, and FMPA and its Project Participants, but numerous other parties as well.

- The City of Lake Worth has limited its All-Requirements Service to a contract rate of delivery, as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2014. The amount of capacity and energy the City is obligated to purchase under this conversion of their contract was determined to be zero in December 2013. Additionally, effective January 1, 2014, the Capacity and Energy Sales Contract between the City and FMPA terminated.

- The City of Fort Meade has limited its All-Requirements Service to a contract rate of delivery, as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2015. Based on the city's usage between December 2013 and November 2014, and Executive committee action in December 2014, the maximum hourly obligation is 10.36 MW. Concurrently with its notice of limitation, the City gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract that the term of its contract will stop renewing automatically each year. The term of the City's contract is now fixed and will terminate on October 1, 2041.

- The All-Requirements Project has entered into a Full Requirements Power Sales Contract with the City of Quincy, Florida, whereby the All-Requirements Project will serve Quincy's total capacity and energy needs above its purchases from the Southeastern Power Administration. The contract expired on December 31, 2015.

- In the normal course of its business, FMPA has had claims or assertions made against it. In the opinion of management, the ultimate disposition of these currently asserted claims are either not substantiated or will not have a material impact on FMPA's financial statements.

IX. Commitments and Contingencies (continued)

E. Other Contingency Items

In February 2013, Duke Energy, Inc. ("Duke," formerly Progress Energy Florida, Inc.) announced the retirement of its Crystal River Unit 3 nuclear plant ("CR3"), which had been out of service since 2009. As a wholesale purchaser of capacity and energy from Duke since the CR3 outage began, the All-Requirements Power Supply Project had potential claims against Duke for increased capacity and energy costs due to the extended CR3 outage. FMPA staff represented All-Requirements Project's together with the other wholesale purchasers and municipal joint owners acting as the agent of the wholesale purchasers and municipal joint owners, in settlement negotations with Duke. (The municipal joint owners of CR3 hold their interests in the plant individually, not as members of an FMPA project.)

The CR3 municipal joint owners and several current and former wholesale customers of Duke, including the All-Requirements Project, entered into a settlement agreement with Duke, which became effective September 26, 2014. Under the terms of the settlement agreement, the CR3 municipal joint owners, wholesale customers and Duke waive all CR3-related claims that they may have against each other. In return, Duke made settlement payments of $55 million to the CR3 municipal joint owners and $8.4 million to the wholesale customers. In addition, the CR3 municipal joints owners transferred their CR3 ownership interests, as well as their nuclear decommissioning trust funds, to Duke, and no longer have any CR3 costs or liabilities – including CR3 decommissioning. The settlement payments and transfers took place at final closing on October 30, 2015.

X. Capacity and Energy Sales Contracts

- During 2008, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for KUA whereby the All-Requirements Project has assumed all cost liability and operational management of all KUA-owned generation assets and will pay to KUA agreed-upon fixed payments over preset periods relating to each asset.

- Effective January 1, 2011, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the All-Requirements Project has assumed all cost liability and operational management of all Key West owned generation assets and will pay to Key West fixed annual payments of $670,000 each January 1 from 2011 through 2020. The revised, amended, and restated contract provides the All-Requirements Project the right to retire Keys generation assets at any time during the term of the contract, subject to the 60% on-island capacity requirement, without shortening the fixed payment term.

- The City of Moore Haven had a contractual agreement with FMPA to sell the capacity and energy from Moore Haven's entitlement share of the St. Lucie Project to the All-Requirements Project. The All-Requirements Project provided reserves and back-up capacity and energy for this sale. In May 2016, Moore Haven and FMPA agreed to terminate this agreement effective July 1, 2016.

XI. Mutual Aid Agreement

The All-Requirements Project has agreed to participate in a mutual aid agreement with six other utilities for extended generator outages of defined base-load generating units. The parties of this agreement are the city of Tallahassee, Gainesville Regional Utilities, JEA, Lakeland Electric, Orlando Utilities Commission, and Municipal Electric Authority of Georgia. The All-Requirements Project has designated 120 MWs of Cane Island Unit 3, 140 MWs of Cane Island 4, and 200 MWs of the Treasure Coast Energy Center, 60 MW of Stanton Unit 1, and 60 MW of Stanton Unit 2. In the case of a qualifying failure, the All-Requirements Project will have the option to receive either 50% or 100% of the replacement of the designated MWs of the failed unit. The cost of replacement energy will be based on an identified gas index or coal index and heat rate in the agreement. In the event of any extended outage from any other participant, the All-Requirements Project would provide between 10 MWs and 53 MWs (based on the designation of the participant) for a maximum of nine months. The current agreement term expires on October 1, 2017, and will automatically renew for an additional five-year period, unless FMPA (1) has not received energy under the agreement during the current term, and (2) provides at least 90 days notice prior to the end of the current term that it does not elect to renew its participation.

XII. Employment Benefits

A. Retirement Benefits

A Deferred Compensation Plan (in accordance with the Internal Revenue Code Section 457) and a Defined Contribution (money purchase) Plan (under the Internal Revenue Code Section 401(a)) are offered to the Agency's employees who have worked at least 1700 hours per year, excluding the General Manager and General Counsel, who become fully vested after six months of employment. The plan was established by the FMPA Executive Committee of the Board of Director's in 1984 and the Board of Directors has have the authority to amend the plan. FMPA's contribution is 10% of the individual's gross base salary for the 401(a) plan. Total payroll for the year ended September 30, 2016, was $7.0 million, which approximates covered payroll. The 401(a) defined contribution plan has 75 active members with a plan balance.

The Agency's contribution may be made to either plan at the discretion of the employee. Additionally, an employee generally may contribute to the Deferred Compensation Plan, so that the combined annual contribution does not exceed $18,000 for 2016. Assets of both plans are held by ICMA Retirement Corporation, the Plan Administrator and Trustee.

Contributions to the plan resulted in expenses for the Deferred Compensation Plan during fiscal year 2016 of $734,840. Funds from these plans are not available to employees until termination or retirement, however funds from either plan can be made available, allowing an employee to borrow up to one half of their balance in the form of a loan.

B. Post-Employment Benefits other than Retirement

FMPA offers paid group health insurance to retired, full-time employees, with an employment start date prior to October 1, 2004 over the age of 55 who have a combined total of at least 900 months of age plus months of active service. This insurance is through the Agency's group health insurance plan, which covers active participants until retirement and retired participants until age 65. Retired participants over the age of 65 are offered a separate plan that is coordinated with Medicare coverage.

XII. Employment Benefits (continued)

The Agency's annual other post-employment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC). The Agency has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred plan participants. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the Agency's OPEB expense for the year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation.

		(000's) USD
Annual required contribution	$	323
Interest on net OPEB obligation		15
Annual OPEB expense		338
Contributions made		-
Increase in net OPEB Obligation		338
Net OPEB Obligation - Beginning of Year		2,320
Net OPEB Obligation - End of Year	$	2,658

FMPA's annual OPEB cost, the percentage of Annual OPEB cost cost contributed to the plan, and the net OPEB obligation ofr fiscal year 2016 and the two prceding fiscal years were as follows:

			(000's) USD
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2014	301	0%	1,939
9/30/2015	381	0%	2,320
9/30/2016	338	0%	2,658

The projection of future benefit payments for the plan involves estimates and assumptions about the probablitly of occurrence of events far into the future.

The following assumptions were made:

Retirement age for active employess is between 55 and 62 based on the age they will be eligible to receive benefits.

Marital status at the calclulation date was assumed to continue throughout retirement.

Life expectancies were based on IRS guidelines.

Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to period the present value of total benefits to be paid.

The expected rate of increase in healthcare insurance premiums was based on Nationl Health Expenditure Projections from the Centers for Medicare and Medicaid Services.
2016 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

FMPA will implenment GASB 75 in fiscal year 2018 which is expected to increase the liablity.

XIII. Risk Management

The Agency is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and the public and damage to property of others. In addition, FMPA enters into contracts with third parties, some of whom are empowered to act as its agents in order to carry out the purpose of the contracts.

These contracts subject FMPA to varying degrees and types of risk. The Agency has purchased commercial insurance that management believes is adequate to cover these various risks. FMPA has elected to self-insure the Agency's risk for general liability. It is the opinion of general counsel that FMPA may enjoy sovereign immunity in the same manner as a municipality, as allowed by Florida Common Law. Under such Florida Law, the limit of liability for judgments by one person for tort is $200,000 or a total of $300,000 for the same incident or occurrence. At no point have settlements exceeded coverage in the past two fiscal years.

The Agency has established an Audit and Risk Oversight Committee (AROC) made up of some of FMPA's Board of Directors and member's representatives, and has assigned corporate risk management to its Contract Compliance Audit and Risk Management Manager. The Contract Compliance Audit and Risk Management Manager is designated the Agency's Risk Manager, and oversees the Risk Management Department, which reports to the General Manager. The objective of the Agency's Enterprise Risk Management program is to identify, measure, monitor and report risks in order to minimize unfavorable financial and strategic impacts.

FMPA's Risk Management Policy addresses key risk areas including, but not limited to, fuel price, debt, investment, insurance, credit and contracts.

On October 23, 2015 the EPA issued a final Clean Power Plan to cut carbon pollution. If implemented as is, FMPA through its projects with coal power plants may have potential cost risk to achieve compliance with currently proposed limitations.

XIV. Interest Arbitrage and Rebate

A rebate payable to the Internal Revenue Service (IRS) is calculated based on the investment of bond proceeds in financial instruments that yield interest income that is higher than the interest of the debt. This rebate is payable to the IRS within five years of the date of the bond offering and each consecutive five years thereafter.

The potential arbitrage liability at September 30, 2016, for each of the projects is as follows:

Project	Amount (000's US$)
St. Lucie Project	$ 1,565
Total	$ 1,565

XV. Related Party Transactions

A. Governing Members and Committees

Each of the 31 members of FMPA appoints a director and one or more alternatives to serve on FMPA's Board of Directors. The Board has responsibility for developing and approving FMPA's non All-Requirements Project budgets, hiring of the General Manager and General Counsel and establishing the Agency's bylaws, which govern how FMPA operates and the policies which implement such bylaws. The Board also authorizes all non-All-Requirements Project debt issued by FMPA and allocates the Agency Fund burden to each of the Projects. The Board elects an Agency Chairman, Vice-Chairman, Secretary and Treasurer.

The Executive Committee consists of representatives from the 13 active members of the All-Requirements Project. The Executive Committee elects a Chairman and Vice-Chairman. The Board's Secretary and Treasurer serve in the same capacity on the Executive Committee. The Executive committee has sole responsibility for developing and approving FMPA's Agency Fund and All-Requirements Project budgets, and authorizes all debt issued by the All-Requirements Project.

In order to facilitate the project decision-making process, there are project committees for the St. Lucie, Stanton, Stanton II, and Tri-City Projects which are comprised of one representative from each participant in a project. The project committees serve in an advisory capacity, and all decisions concerning the project are decided by the Board of Directors, except for the All-Requirements Project, in which all decisions are made by the Executive Committee.

B. Florida Gas Utility (FGU)

The All-Requirements Project has a contractual agreement to purchase natural gas from Florida Gas Utility (FGU), which accounts for approximately 80-85% of FGU's total throughput of natural gas. FMPA and the following member cities have representatives on the FGU Board of Directors: Fort Meade, Ft. Pierce, KUA, Leesburg and Starke.

XVI. Subsequent Events

None.

Required Supplementary Information

(unaudited)

SCHEDULE OF FUNDING PROGRESS
FOR THE RETIREE HEALTH PLAN
For the Year Ended September 30, 2016
(000's US$)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Simplified Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/2008	$ -	$ 164	$ 164	0%	$ 3,247	5.05%
9/30/2009	-	372	372	0%	2,815	13.21%
9/30/2010	-	663	663	0%	2,570	25.80%
9/30/2011	-	932	932	0%	2,880	32.36%
9/30/2012	-	1,298	1,298	0%	2,951	43.99%
9/30/2013	-	2,547	2,547	0%	3,081	82.67%
9/30/2014	-	2,338	2,338	0%	2,939	79.55%
9/30/2015	-	2,999	2,999	0%	2,867	104.60%
9/30/2016	-	2,703	2,703	0%	2,999	90.13%

Supplementary Information

(unaudited)

SCHEDULE OF AMOUNTS DUE TO (FROM) PARTICIPANTS

RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2016

(000's US$)

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Agency Fund			
Received from projects	$ 14,781	$ 13,759	$ (1,022)
Received from member assessments	23	23	-
Interest income	163	145	(18)
Other income		17	17
	$ 14,967	$ 13,944	$ (1,023)
General and administrative	$ 14,114	$ 13,173	$ 941
Invested in Capital Assets	$ 590	394	196
Principal on Debt	$ 190	190	-
Other Adjustments		59	(59)
	$ 14,894	$ 13,816	$ 1,078
Net Revenue	$ 73	$ 128	$ 55
St. Lucie Project			
Participant billing	$ 54,932	$ 54,844	$ (88)
Reliability exchange contract sales	4,962	4,004	(958)
Interest income	154	133	(21)
	$ 60,048	$ 58,981	$ (1,067)
Operation and maintenance, fuel	$ 13,695	$ 14,720	$ (1,025)
Purchased power	5,004	3,874	1,130
Transmission service	484	380	104
General and administrative	2,413	2,313	100
Deposit to renewal and replacement fund	2,800	2,800	-
Deposit to general reserve fund & FSA	16,646	16,646	-
Deposit to debt service fund	21,073	20,744	329
	$ 62,115	$ 61,477	$ 638
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ (2,067)	$ (2,496)	$ (429)

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

Schedule of Amounts Due to (from) Participants

Resulting from Budget/Actual Variances
Year Ended September 30, 2016
(000's US$)

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Stanton Project			
Participant billing & sales to others	$ 29,449	$ 27,430	$ (2,019)
Interest income	47	64	17
	$ 29,496	$ 27,494	$ (2,002)
Operation and maintenance, fuel	$ 13,207	$ 12,920	$ 287
Transmission service	1,220	1,132	88
General and administrative	1,395	1,287	108
Deposit to debt service fund	13,434	13,423	11
	$ 29,256	$ 28,762	$ 494
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ 240	$ (1,268)	$ (1,508)
All-Requirements Project			
Participant billing & sales to others	$ 470,090	$ 435,250	$ (34,840)
Interest Income	160	790	630
	$ 470,250	$ 436,040	$ (34,210)
Member Capacity	$ 31,194	$ 30,555	$ 639
Contract Capacity	19,585	20,715	(1,130)
ARP Owned Capacity	48,171	44,445	3,726
Debt & Capital Leases	119,095	115,625	3,470
Direct Charges & Other	21,664	19,684	1,980
Gas Transportation	39,707	34,440	5,267
Fuels	161,724	127,429	34,295
Purchased Power	3,298	4,178	(880)
Transmission	25,812	26,550	(738)
	$ 470,250	$ 423,621	$ 46,629
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ -	$ 12,419	$ 12,419

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2016
(000's US$)

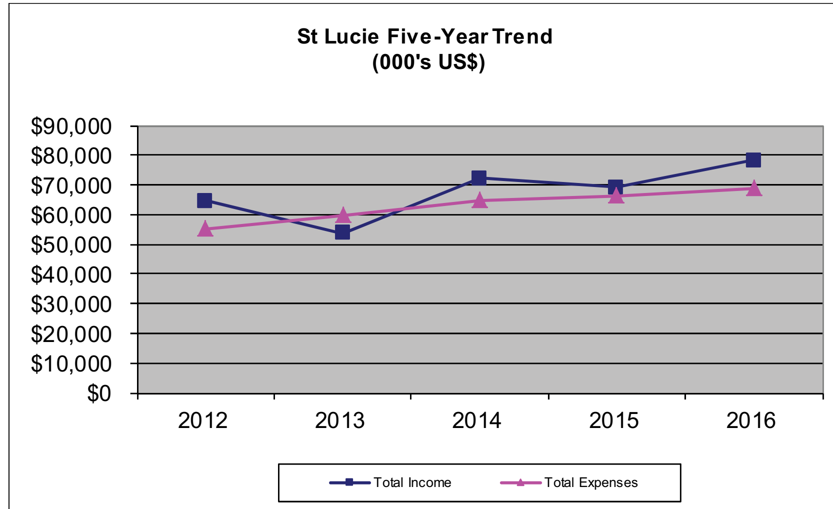
	Amended Budget		Actual		Variance Favorable (Unfavorable)
Tri-City Project					
Participant billing & sales to others	$	11,222	$	10,664	$ (558)
Interest income		155		27	(128)
	$	11,377	$	10,691	$ (686)
Operation and maintenance, fuel	$	4,755	$	4,706	$ 49
Transmission service		487		427	60
General and administrative		731		735	(4)
Deposit to debt service fund		4,751		4,049	702
	$	10,724	$	9,917	$ 807
Net Due to (from) Participants Resulting from Budget/Actual Variances	$	653	$	774	$ 121
Stanton II Project					
Participant billing & sales to others	$	53,287	$	51,974	$ (1,313)
Interest income		151		128	(23)
	$	53,438	$	52,102	$ (1,336)
Operation and maintenance, fuel	$	29,170	$	28,336	$ 834
Transmission service		1,844		1,751	93
General and administrative		1,849		1,888	(39)
Deposit to debt service fund		18,279		18,944	(665)
	$	51,142	$	50,919	$ 223
Net Due to (from) Participants Resulting from Budget/Actual Variances	$	2,296	$	1,183	$ (1,113)

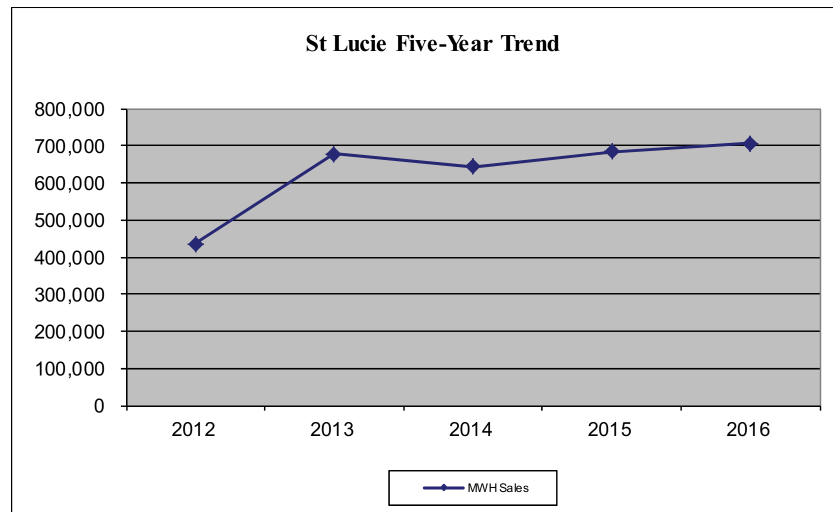
Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

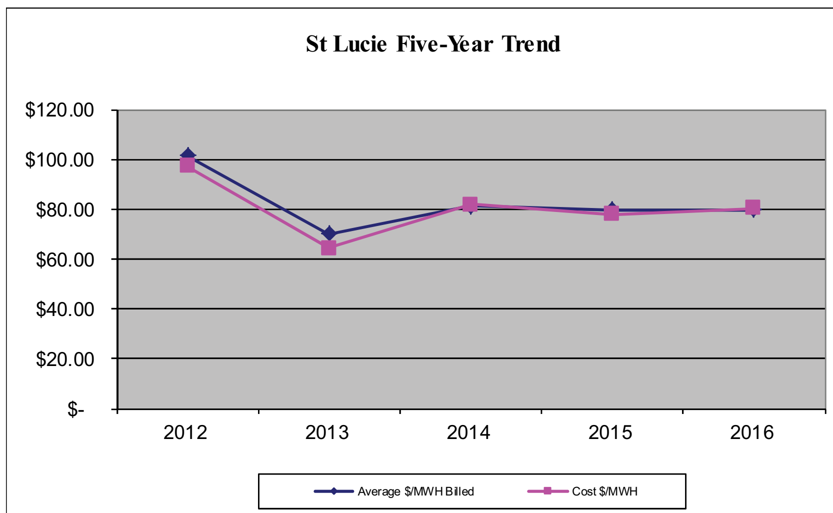
Five-Year Trend Analysis

	2012	2013	2014	2015	2016
(000's US$ except for MWH Sales and Average $/MWH)					
St. Lucie Project					
Capital Assets	$ 114,529	$ 103,963	$ 89,129	$ 74,133	$ 50,196
Total Assets & Deferred Outflows	$ 443,340	$ 432,097	$ 441,240	$ 441,333	$ 431,817
Long-Term Liabilities	$ 432,430	$ 418,156	$ 428,520	$ 424,539	$ 418,789
Total Liabilities & Deferred Inflows	$ 443,340	$ 432,097	$ 441,240	$ 441,333	$ 431,817
Billings to Participants	$ 44,207	$ 47,446	$ 52,338	$ 54,511	$ 56,287
Sales to Others	2,015	2,568	2,235	2,302	2,561
Total Operating Revenues	$ 46,222	$ 50,014	$ 54,573	$ 56,813	$ 58,848
Purchased Power	$ 1,117	$ 4,176	$ 4,254	$ 4,072	$ 3,874
Production-Nuclear O&M	11,359	9,529	12,106	11,265	9,727
Nuclear Fuel Amortization	3,700	4,357	4,385	4,599	5,963
Transmission	546	611	511	470	380
General & Administrative	3,389	2,633	2,716	2,998	2,486
Depreciation & Decommissioning	19,571	23,465	25,731	28,211	31,417
Total Operating Expenses	$ 39,682	$ 44,771	$ 49,703	$ 51,615	$ 53,847
Net Operating Revenues	$ 6,540	$ 5,243	$ 4,870	$ 5,198	$ 5,001
Investment Income	$ 18,373	$ 3,832	$ 17,530	$ 12,362	$ 19,430
Total Other Income	$ 18,373	$ 3,832	$ 17,530	$ 12,362	$ 19,430
Interest Expense	$ 13,284	$ 13,453	$ 13,486	$ 14,855	$ 13,454
Amortization & Other Expense	2,259	1,656	1,532	(117)	1,544
Total Other Expenses	$ 15,543	$ 15,109	$ 15,018	$ 14,738	$ 14,998
Net Income (Loss)	$ 9,370	$ (6,034)	$ 7,382	$ 2,822	$ 9,433
Net Cost Recovered (Credited) in the Future	(7,499)	9,818	(7,855)	(1,688)	(9,862)
Due from (to) Participants	(1,871)	(3,784)	473	(1,134)	429
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	435,935	676,974	643,993	684,526	705,233
Average $/MWH Billed	$ 101.41	$ 70.09	$ 81.27	$ 79.63	$ 79.81
Cost $/MWH	$ 97.12	$ 64.50	$ 82.01	$ 77.98	$ 80.42

FIVE-YEAR TREND ANALYSIS



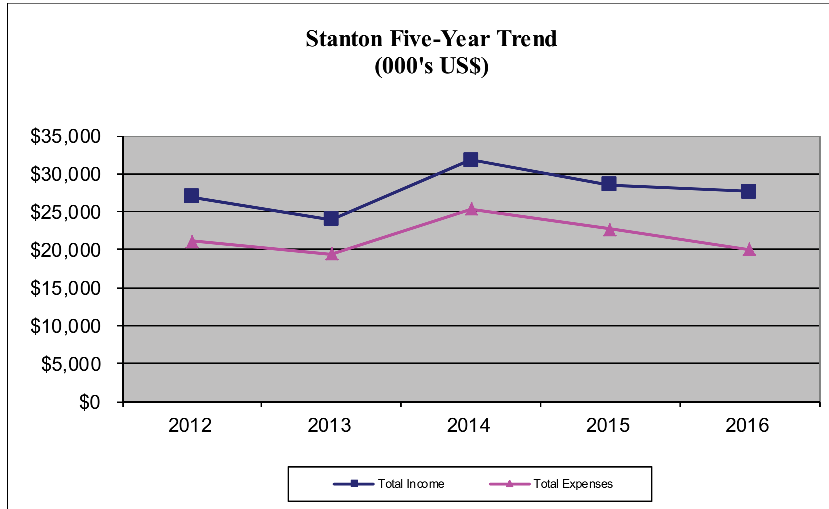


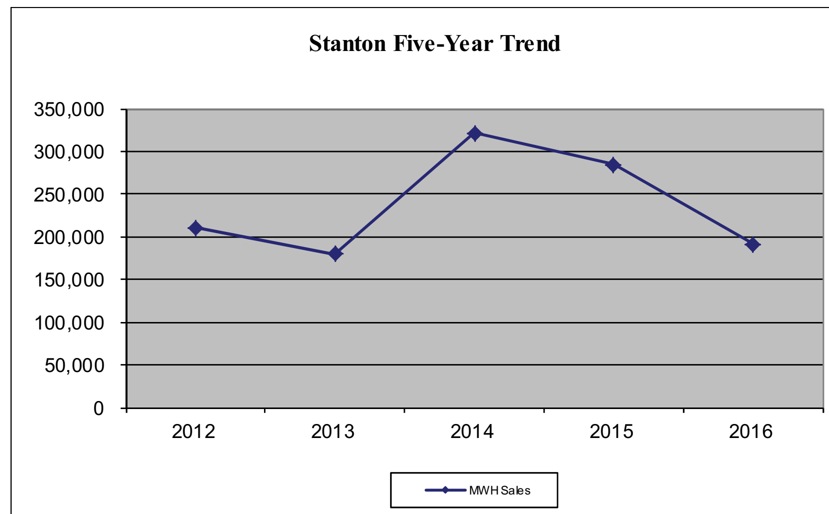


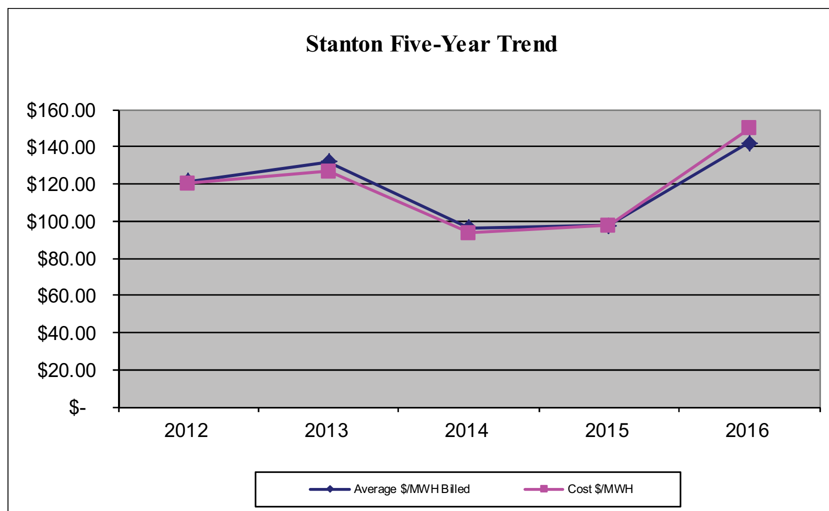
FIVE-YEAR TREND ANALYSIS

	2012	2013	2014	2015	2016
(000's US$ except for MWH Sales and Average $/MWH)					
Stanton Project					
Capital Assets	$ 35,124	$ 33,811	$ 32,939	$ 31,623	$ 30,536
Total Assets & Deferred Outflows	$ 70,205	$ 61,313	$ 63,824	$ 61,778	$ 63,570
Long-Term Debt	$ 54,702	$ 45,564	$ 39,310	$ 32,875	$ 25,299
Total Liabilities & Deferred Inflows	$ 70,205	$ 61,313	$ 63,824	$ 61,778	$ 63,570
Billings to Participants	$ 25,579	$ 23,745	$ 30,967	$ 27,716	$ 27,103
Sales to Others	394	430	419	322	327
Total Operating Revenues	$ 25,973	$ 24,175	$ 31,386	$ 28,038	$ 27,430
Production-Steam O&M	$ 4,025	$ 3,545	$ 3,567	$ 4,225	$ 5,520
Fuel Expense	8,707	8,061	14,500	11,315	7,400
Transmission	1,224	1,223	1,223	1,222	1,132
General & Administrative	1,154	1,184	1,187	1,235	1,287
Depreciation & Decommissioning	2,363	2,526	2,647	2,759	2,937
Total Operating Expenses	$ 17,473	$ 16,539	$ 23,124	$ 20,756	$ 18,276
Net Operating Revenues	$ 8,500	$ 7,636	$ 8,262	$ 7,282	$ 9,154
Investment Income	$ 962	$ (164)	$ 392	$ 450	$ 251
Total Other Income	$ 962	$ (164)	$ 392	$ 450	$ 251
Interest Expense	$ 3,090	$ 2,680	$ 1,997	$ 1,843	$ 1,680
Amortization & Other Expense	501	258	258	137	112
Total Other Expenses	$ 3,591	$ 2,938	$ 2,255	$ 1,980	$ 1,792
Net Income (Loss)	$ 5,871	$ 4,534	$ 6,399	$ 5,752	$ 7,613
Net Cost Recovered (Credited) in the Future	(5,671)	(3,619)	(5,394)	(5,762)	(9,121)
Due from (to) Participants	(200)	(915)	(1,005)	10	1,508
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	210,924	180,203	320,992	284,081	190,985
Average $/MWH Billed	$ 121.27	$ 131.77	$ 96.47	$ 97.56	$ 141.91
Cost $/MWH	$ 120.32	$ 126.69	$ 93.34	$ 97.60	$ 149.81

FIVE-YEAR TREND ANALYSIS







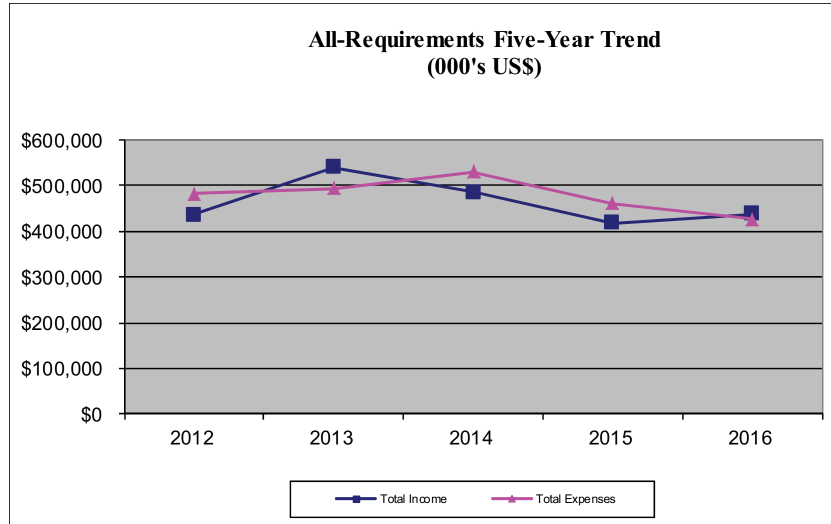
Five-Year Trend Analysis

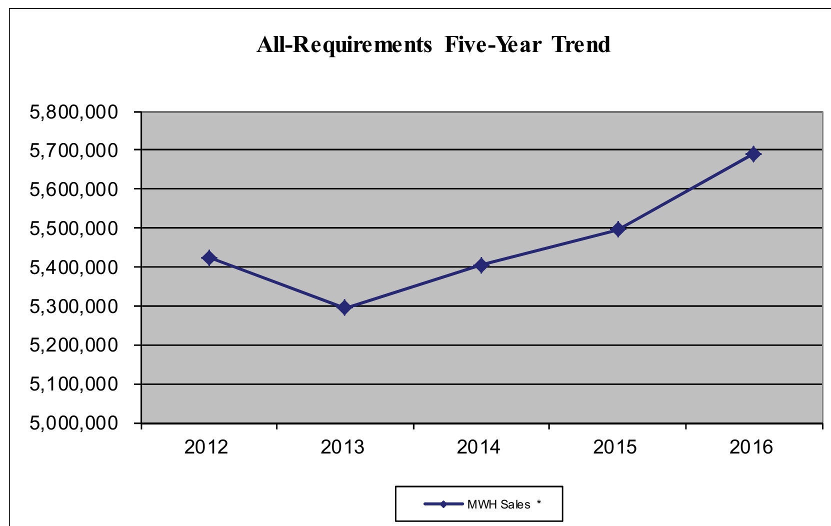
	2012	2013	2014	2015	2016
(000's US$ except for MWH Sales and Average $/MWH)					
All-Requirements Project					
Capital Assets	$ 956,182	$ 912,545	$ 864,876	$ 814,271	$ 777,532
Total Assets & Deferred Outflows	$ 1,641,997	$ 1,489,809	$ 1,475,187	$ 1,456,404	$ 1,471,708
Long-Term Liabilities	$ 1,483,283	$ 1,352,328	$ 1,342,161	$ 1,334,149	$ 1,331,563
Total Liabilities & Deferred Inflows	$ 1,641,997	$ 1,489,809	$ 1,475,187	$ 1,456,404	$ 1,471,708
Billings to Participants **	$ 430,776	$ 454,847	$ 442,072	$ 399,979	$ 409,104
Sales to Others	19,104	31,434	76,854	45,656	26,146
Total Operating Revenues	$ 449,880	$ 486,281	$ 518,926	$ 445,635	$ 435,250
Purchased Power	$ 24,860	$ 38,327	$ 27,523	$ 31,755	$ 25,546
O&M Production-Steam	59,511	59,802	55,621	60,693	67,270
Fuel Expense	229,663	230,847	283,682	204,743	170,762
Transmission	25,307	27,344	26,247	26,862	26,256
General & Administrative	20,528	21,463	21,957	21,729	22,349
Depreciation & Decommissioning	55,250	53,877	54,252	54,464	55,101
Total Operating Expenses	$ 415,119	$ 431,660	$ 469,282	$ 400,246	$ 367,284
Net Operating Revenues	$ 34,761	$ 54,621	$ 49,644	$ 45,389	$ 67,966
Investment Income	$ (12,695)	$ 54,494	$ (32,150)	$ (27,859)	$ 3,805
Total Other Income	$ (12,695)	$ 54,494	$ (32,150)	$ (27,859)	$ 3,805
Interest Expense	$ 64,523	$ 61,830	$ 59,873	$ 59,185	$ 56,843
Amortization & Other Expense	2,371	940	673	1,921	2,150
Total Other Expenses	$ 66,894	$ 62,770	$ 60,546	$ 61,106	$ 58,993
Net Income (Loss)	$ (44,828)	$ 46,345	$ (43,052)	$ (43,576)	$ 12,778
Net Cost Recovered (Credited) in the Future	22,617	(41,637)	37,847	35,778	(359)
Due from (to) Participants	22,211	(4,708)	5,205	7,798	(12,419)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales *	5,424,379	5,293,772	5,404,370	5,495,169	5,691,752
Average $/MWH Billed	$ 79.41	$ 85.92	$ 81.80	$ 72.79	$ 71.88
Cost $/MWH	$ 83.51	$ 85.03	$ 82.76	$ 74.21	$ 69.69

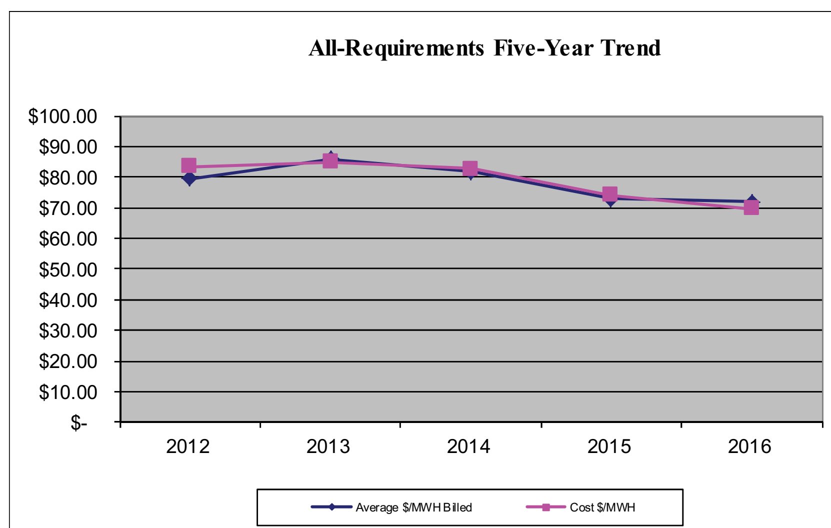
* Restated to include Ft. Meade's MWhs for fiscal year 2015.

** Restated to properly break out sales to others that were previously included in Billings to Participants for years 2012, 2013, and 2014.

FIVE-YEAR TREND ANALYSIS



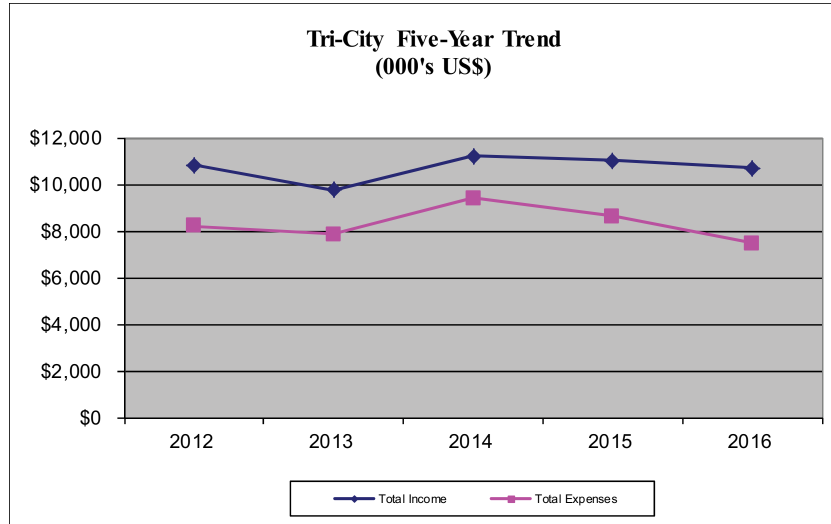


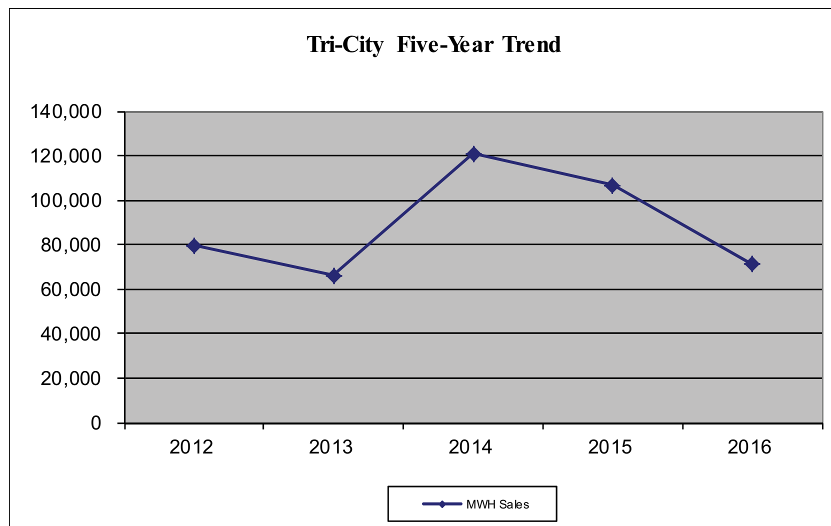


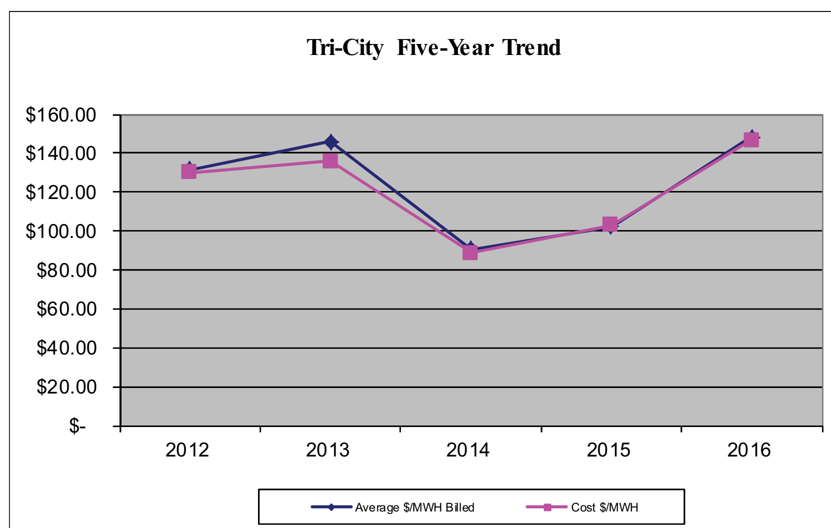
Five-Year Trend Analysis

	2012	2013	2014	2015	2016
(000's US$ except for MWH Sales and Average $/MWH)					
Tri-City Project					
Capital Assets	$ 13,969	$ 13,405	$ 12,999	$ 12,436	$ 11,947
Total Assets & Deferred Outflows	$ 26,829	$ 21,794	$ 22,573	$ 21,620	$ 21,520
Long-Term Debt	$ 25,802	$ 18,696	$ 15,771	$ 12,748	$ 9,659
Total Liabilities & Deferred Inflows	$ 29,829	$ 21,794	$ 22,573	$ 21,620	$ 21,520
Billings to Participants	$ 10,490	$ 9,662	$ 10,971	$ 10,873	$ 10,548
Sales to Others	141	143	150	115	116
Total Operating Revenues	$ 10,631	$ 9,805	$ 11,121	$ 10,988	$ 10,664
Production-Steam O&M	$ 1,440	$ 1,269	$ 1,262	$ 1,511	$ 1,991
Fuel Expense	3,169	3,062	5,189	4,287	2,715
Transmission	490	489	489	489	427
General & Administrative	651	659	687	696	735
Depreciation & Decommissioning	942	998	1,041	1,078	1,134
Total Operating Expenses	$ 6,692	$ 6,477	$ 8,668	$ 8,061	$ 7,002
Net Operating Revenues	$ 3,939	$ 3,328	$ 2,453	$ 2,927	$ 3,662
Investment Income	$ 197	$ (54)	$ 81	$ 27	$ 44
Total Other Income	$ 197	$ (54)	$ 81	$ 27	$ 44
Interest Expense	$ 1,149	$ 1,021	$ 389	$ 327	$ 266
Amortization & Other Expense	379	354	342	235	190
Total Other Expenses	$ 1,528	$ 1,375	$ 731	$ 562	$ 456
Net Income (Loss)	$ 2,608	$ 1,899	$ 1,803	$ 2,392	$ 3,250
Net Cost Recovered (Credited) in the Future	(2,480)	(1,216)	(1,545)	(2,493)	(3,129)
Due from (to) Participants	(128)	(683)	(258)	101	(121)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	79,739	66,150	120,915	106,538	71,172
Average $/MWH Billed	$ 131.55	$ 146.06	$ 90.73	$ 102.06	$ 148.20
Cost $/MWH	$ 129.95	$ 135.74	$ 88.60	$ 103.01	$ 146.50

FIVE-YEAR TREND ANALYSIS



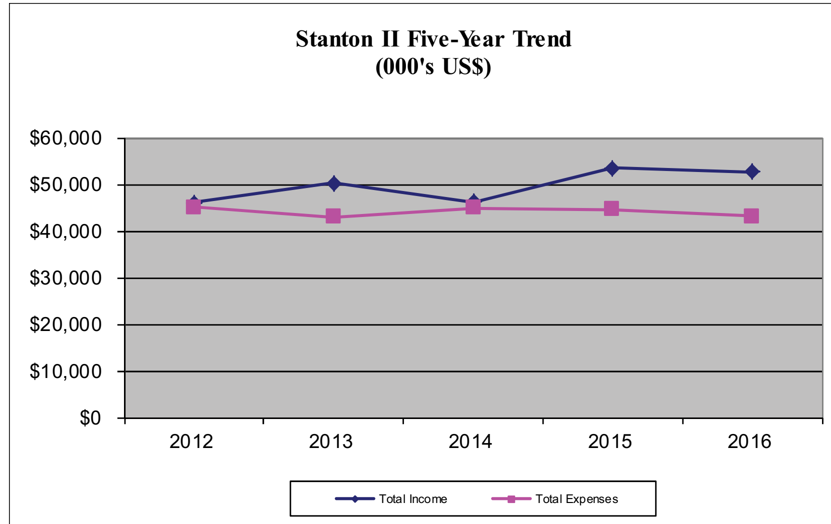


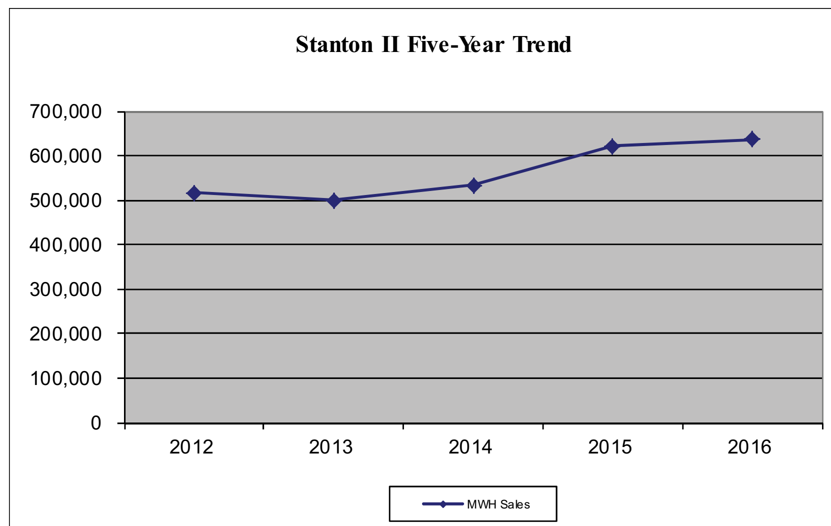


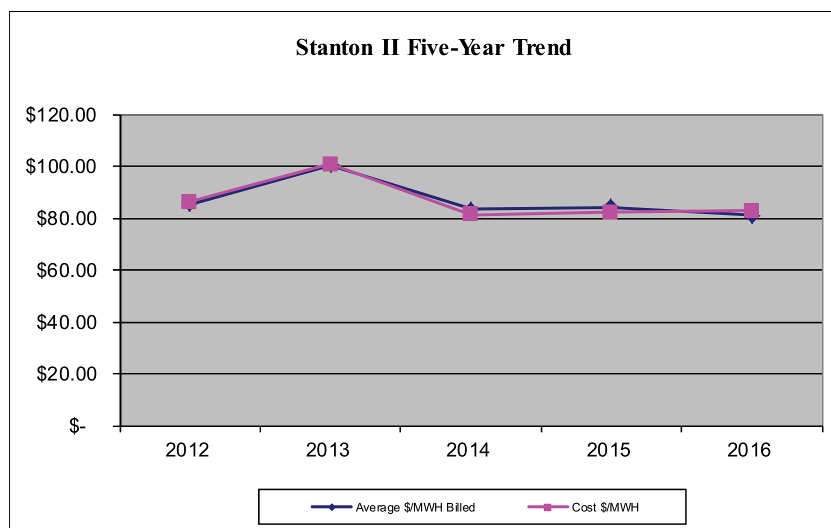
FIVE-YEAR TREND ANALYSIS

	2012	2013	2014	2015	2016
(000's US$ except for MWH Sales and Average $/MWH)					
Stanton II Project					
Capital Assets	$ 108,648	$ 107,030	$ 106,356	$ 102,865	$ 100,258
Total Assets & Deferred Outflows	$ 204,895	$ 193,709	$ 182,054	$ 178,143	$ 178,362
Long-Term Debt	$ 197,417	$ 179,960	$ 167,977	$ 148,656	$ 139,040
Total Liabilities & Deferred Inflows	$ 204,895	$ 193,709	$ 182,054	$ 178,143	$ 176,182
Billings to Participants	$ 44,184	$ 50,047	$ 44,411	$ 52,204	$ 51,463
Sales to Others	618	711	657	505	511
Total Operating Revenues	$ 44,802	$ 50,758	$ 45,068	$ 52,709	$ 51,974
Production-Steam O&M	$ 6,927	$ 5,337	$ 5,871	$ 6,495	$ 6,688
Fuel Expense	21,201	22,328	24,253	23,417	21,650
Transmission	1,848	1,846	1,846	1,846	1,750
General & Administrative	1,785	1,698	1,770	1,831	1,889
Depreciation & Decommissioning	4,718	4,855	5,082	5,194	5,336
Total Operating Expenses	$ 36,479	$ 36,064	$ 38,822	$ 38,783	$ 37,313
Net Operating Revenues	$ 8,323	$ 14,694	$ 6,246	$ 13,926	$ 14,661
Investment Income	$ 1,260	$ (450)	$ 1,151	$ 778	$ 738
Total Other Income	$ 1,260	$ (450)	$ 1,151	$ 778	$ 738
Interest Expense	$ 7,584	$ 7,199	$ 6,724	$ 6,453	$ 6,359
Amortization & Other Expense	965	(307)	(661)	(619)	(545)
Total Other Expenses	$ 8,549	$ 6,892	$ 6,063	$ 5,834	$ 5,814
Net Income (Loss)	$ 1,034	$ 7,352	$ 1,334	$ 8,870	$ 9,585
Net Cost Recovered (Credited) in the Future	(1,443)	(7,597)	(279)	(7,718)	(10,698)
Due from (to) Participants	409	245	(1,055)	(1,152)	1,113
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	517,357	498,856	533,732	620,796	635,926
Average $/MWH Billed	$ 85.40	$ 100.32	$ 83.21	$ 84.09	$ 80.93
Cost $/MWH	$ 86.19	$ 100.81	$ 81.23	$ 82.24	$ 82.68

FIVE-YEAR TREND ANALYSIS







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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND POWER SUPPLY CONTRACTS

This Appendix contains summaries of certain provisions of FMPA's All-Requirements Power Supply Project Revenue Bond Resolution, adopted on March 22, 1985, as amended and restated in its entirety on May 23, 2003, as supplemented and amended, including as supplemented and amended by the Supplemental and Amendatory All-Requirements Power Supply Project Revenue Bond Resolution (Governance Amendments) adopted May 24, 2007 and as supplemented by the Series 2017A Supplemental All-Requirements Power Supply Project Revenue Bond Resolution (Fixed Rate Bonds) authorizing the Series 2017A Bonds and the Series 2017B Supplemental All-Requirements Power Supply Project Revenue Bond Resolution (Fixed Rate Bonds) authorizing the Series 2017B Bonds, each adopted on May 18, 2017 (collectively, the "Supplemental Resolution" and, together with the All-Requirements Power Supply Project Revenue Bond Resolution, the "Resolution"); and (ii) separate All-Requirements Power Supply Project Contracts, as amended and restated (the "All-Requirements Power Supply Contracts") between FMPA and the Participants. These summaries are not to be considered full statements of the terms of the respective documents and accordingly are qualified by the reference to such respective documents and subject to the full text thereof. Copies of such documents may be obtained from FMPA on request. Capitalized terms not otherwise defined herein have the meanings set forth in the respective documents or the Official Statement.

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a general summary of certain provisions of the Resolution. Certain additional provisions relating specifically to the Offered Securities issued pursuant to the Supplemental Resolution and Bond Series Certificate are presented under "DESCRIPTION OF THE OFFERED SECURITIES" and "SECURITY AND SOURCES OF PAYMENT FOR THE OFFERED SECURITIES."

Definitions

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series and all Parity Debt, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series and all Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Series and such Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; provided, however that there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments.

Adjusted Aggregate Debt Service for any period means, as of any date of calculation, the Aggregate Debt Service for such period except that, if any Refundable Principal Installment for any Series of Bonds is included in Aggregate Debt Service for such period, Adjusted Aggregate Debt Service shall mean Aggregate Debt Service determined as if each such Refundable Principal Installment had been payable, over a period extending from the due date of such Principal Installment through the later of the 35th anniversary of the issuance of such Series of Bonds or the 10th anniversary of the due date of such Principal Installments, in installments which would have required equal annual payments of principal and interest over such period. Interest deemed payable in any Fiscal Year after the actual due date of any Refundable Principal Installment of any Series of Bonds shall be calculated at the weighted average rate of interest actually payable on the Bonds of such Series at the time the calculation is made or such higher rate as FMPA determines appropriate.

Aggregate Debt Service for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series and all Parity Debt; provided, however, that for purposes of calculating or estimating Aggregate Debt Service for any future period (except as otherwise specifically provided in the Resolution): (A) any Variable Interest Rate Bonds shall be deemed to bear interest at all times prior to the maturity date thereof for which the interest rate payable thereon has not yet been determined at the Estimated Average Interest Rate applicable thereto; (B) any Bonds, other than Variable Interest Rate Bonds, in respect of

which FMPA has entered into a Qualified Swap shall during the period for which such Qualified Swap is in effect be deemed to bear interest at the highest of the fixed rate or the maximum interest rate payable on such Bonds or pursuant to such Qualified Swap; (C) any Put Bonds Outstanding during such period which by their terms are not required to be paid by FMPA upon tender by the Holder thereof shall be assumed to mature on the stated maturity date thereof; (D) any Put Bonds Outstanding during such period which by their terms are required to be paid by FMPA upon tender by the Holder thereof shall be assumed to mature on the earliest to occur of (1) the stated maturity date thereof, (2) the date provided in an applicable Supplemental Resolution, or (3) if the Bond Support Facility securing such Put Bonds expires within six months or fewer of the date of calculation and has not been renewed or replaced, the expiration date of such Bond Support Facility; I the principal amount of any Put Bonds tendered for payment by FMPA which are required to be paid by FMPA which have not yet been purchased in lieu of such payment by FMPA shall be deemed to mature on the date required to be paid pursuant to such tender; and (F) subject to the provisions of the Supplemental Resolution authorizing any Extendible Maturity Bonds, Extendible Maturity Bonds Outstanding during such period shall be deemed to mature on the later of the stated maturity date or the date to which such stated maturity date has been extended.

Annual Budget shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in the Resolution.

Bond or Bonds shall mean any bond or bonds, note or notes, or other evidences of indebtedness (other than Subordinated Debt), as the case may be, authenticated and delivered under and pursuant to the Resolution.

Bond Series Certificate means a certificate of an Authorized Officer fixing terms, conditions and other details of the Bonds or Parity Debt, in accordance with the delegation of power to do so under a Supplemental Resolution.

Bond Support Facility means any irrevocable letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument which is obtained by FMPA and is issued by a financial, insurance or other institution and which provides security or liquidity in respect of the Bonds of any Series (and with respect to a policy of bond insurance guarantees the payment of principal of and interest on the Bonds), not including any Reserve Account Credit Facility.

Business Day means any day that is not a Saturday, Sunday or legal holiday in the State of Florida or a day on which banks in New York City are authorized by law or executive order to close.

Contingency Requirement shall mean, at any date of calculation, with respect to the Contingency Account in the Reserve and Contingency Fund, such amount as at the date of calculation shall have been established by FMPA as the Contingency Requirement in its Annual Budget which is then in effect.

Cost of Acquisition and Construction means all costs, expenses and liabilities of FMPA related to the All-Requirements Power Supply Project or the System which on the date hereof or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of the Act or any other applicable laws of the State of Florida.

Credit Facility shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a saving and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by FMPA, pursuant to which FMPA is entitled to obtain monies to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof in accordance with the Resolution, whether or not FMPA is in default under the Resolution.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series or any Parity Debt, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series and all additional interest amounts to accrue to the end of such period pursuant to any related Parity Debt, except to the extent that such interest is to be paid from deposits made from Bond proceeds into the Debt Service Account in the Debt Service Fund (including amounts, if any, transferred thereto from the Construction Fund), and (ii) that portion of each Principal Installment for such Series and such Parity Debt which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series and such Parity Debt (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series and such Parity Debt, whichever date is later). Such interest and Principal Installments for such Series shall be calculated on the assumption that (x) no Bonds (except for Put Bonds actually tendered for payment or for purchase in accordance with the Supplemental Resolution authorizing the Series of Bonds of which such Bond is one prior to the stated maturity thereof and not purchased or remarketed on the date required to be paid or purchased) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (y) the principal amount of Put Bonds tendered for payment before the stated maturity thereof shall be deemed to accrue on the date required to be paid pursuant to such tender.

Debt Service Reserve Requirement shall mean, with respect to a particular Series of Bonds, the amount, if any, set forth in the Supplemental Resolution authorizing such Series of Bonds. Any amounts on deposit in the Debt Service Reserve Account for such Bonds shall, unless otherwise provided in the Supplemental Resolution authorizing such Bonds, secure only such Outstanding Bonds (and related Parity Reimbursement Obligations) and shall not be available to pay Debt Service on any other Bonds from time to time Outstanding hereunder.

Extendible Maturity Bonds shall mean Bonds the maturities of which, by their terms, may be extended by and at the option of the Holder thereof.

Net Revenues for any period means the Revenues during such period, determined on an accrual basis, plus (x) the amounts, if any, transferred from the Rate Stabilization Account in the Operation and Maintenance Fund into the Revenue Fund during such period and minus (y) the sum of (a) Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues and (b) the amounts, if any, accrued in the Revenue Fund for transfer to the Rate Stabilization Account in the Operation and Maintenance Fund during such period.

Option Bonds shall mean both Extendible Maturity Bonds and Put Bonds.

Put Bonds shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by FMPA or purchase and remarketing prior to the stated maturity or redemption date thereof either (a) by FMPA and by the Person and/or from the source specified in a Supplemental Resolution or (b), without recourse to FMPA by the Person and/or from the source specified in a Supplemental Resolution; provided, however, that such payment by FMPA shall in all events be required to be supported by a Bond Support Facility.

Refundable Principal Installment means any Principal Installment for any Series of Bonds which FMPA intends to pay with monies which are not Revenues, provided that such intent shall have been expressed in the Supplemental Resolution authorizing such Series of Bonds and provided further that such Principal Installment shall be a Refundable Principal Installment only through the first day of the twelfth month preceding the month in which such Principal Installment comes due or such earlier time as FMPA no longer intends to pay such Principal Installment with monies which are not Revenues.

Revenues shall mean (i) all revenues, income, rents, user fees or charges and receipts derived by FMPA from or attributable to the ownership and operation of the System, including all revenues attributable to the System or to the payment of the costs thereof received by FMPA under any contract for the sale of power, energy, transmission, dispatching or other service from the System or any part thereof or any contractual arrangement with respect to the use of the System or any portion thereof or the services, output or capacity thereof, (ii) the proceeds of any insurance covering business interruption loss relating to the System and (iii) interest received on any monies or

securities held pursuant to the Resolution and paid or required to be paid into the Revenue Fund. Revenues shall not include any amounts paid to FMPA pursuant to a Qualified Swap or similar financial arrangements.

System means all items of real and personal property, all interests in or rights to the use of services, output or capacity acquired or purchased by FMPA for the purposes of, or designated by FMPA to be used for the purpose of, meeting its obligations under the All-Requirements Power Supply Contracts, which now or in the future shall be permitted to be included in the System pursuant to the provisions of the Act or other applicable laws of the State of Florida. Unless otherwise provided by action of the Agency designating such items as part of the System, the System shall not include FMPA's 8.806% undivided ownership interest in St. Lucie Unit No. 2, or any rights to receive any electric capacity or energy therefrom; any rights to receive electric capacity and energy pursuant to the St. Lucie Nuclear Reliability Exchange Agreement, dated March 26, 1982, as amended, or the St. Lucie Replacement Power Agreement, dated February 11, 1982; or FMPA's 14.8193% undivided ownership interest in Stanton Unit No. 1 acquired pursuant to the Stanton Unit No. 1 Participation Agreement dated as of January 16, 1984, as amended (the "Stanton Project"); or FMPA's 5.3012% undivided ownership interest in Stanton Unit No. 1 acquired pursuant to Stanton Unit No. 1 Participation Agreement dated as of March 22, 1985, as amended (the "Tri-City Project"); provided, however, that certain Project Participants having Entitlement Shares in the Tri-City and/or Stanton Projects have agreed to sell and make available to FMPA for the All-Requirements Power Supply Project, the capacity and energy from such Entitlement Shares pursuant to the Capacity and Energy Sales Contracts between FMPA and such Project Participants and the right to receive such capacity and energy shall be a part of the System. Notwithstanding the foregoing definition of the term System, such term shall not include any properties, rights or interests in properties of FMPA which FMPA determines shall not constitute a part of the All-Requirements Power Supply Project or the System for the purposes of the All-Requirements Power Supply Project Contracts.

Trust Estate shall mean (i) the proceeds of the sale of Bonds, (ii) all right, title and interest of FMPA in, to and under the All-Requirements Power Supply Project Contracts, (iii) the Revenues, and (iv) all Funds established by the Resolution (other than the Decommissioning Fund) including the investments, if any, thereof, and the same are hereby pledged and assigned, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

Pledge

The Bonds and any Parity Debt shall be special obligations of FMPA payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the Trust Estate.

Application Of Revenues

Revenues are pledged by the Resolution to payment of principal and redemption price of and interest on the Bonds, subject to the provisions of the Resolution permitting application thereof for other purposes. The Resolution establishes the following Funds and Accounts:

Funds	Held by:
Construction Fund	Trustee
Revenue Fund	FMPA
Operation and Maintenance Fund	FMPA
Operation and Maintenance Account	
Working Capital Account	
Rate Stabilization Account	
Debt Service Fund	Trustee
Debt Service Account	
Debt Service Reserve Account	

Subordinated Debt Fund	Held as determined by the Supplemental Resolution
Reserve and Contingency Fund	FMPA
Renewal and Replacement Account	
Contingency Account	
General Reserve Fund	FMPA

Pursuant to the Resolution, all Revenues are to be deposited promptly by FMPA upon receipt thereof into the Revenue Fund. Each month, amounts in the Revenue Fund are to be paid to the following Funds in the order of priority for application therefrom as follows:

- To the credit of the Operation and Maintenance Account, the Working Capital Account and the Rate Stabilization Account in the Operation and Maintenance Fund, the respective amounts which are equal to (i) in respect to the Operation and Maintenance Account, the amount required so that the balance credited to such Account shall equal the amount estimated to be necessary for the payment of Operation and Maintenance Expenses for the next succeeding calendar month and (ii) in respect to the Working Capital Account and the Rate Stabilization Account, the amount required so that the balance credited to such Accounts equals the monies budgeted to be on credit to said Accounts in the Annual Budget for the next succeeding calendar month. Amounts credited to the Operation and Maintenance Account will be applied by FMPA to the payment of Operation and Maintenance Expenses. Amounts credited to the Working Capital Account shall, at the direction of FMPA, (i) be credited to the Operation and Maintenance Account, (ii) be applied directly to any of the purposes for which amounts in the Operation and Maintenance Account could be applied, (iii) to the extent provided in the current Annual Budget, be transferred to the Debt Service Account, or (iv) to the extent that such amounts were not credited thereto from the proceeds of the Bonds, be credited to the Reserve and Contingency Fund or to the Decommissioning Fund, if then created. Amounts credited to the Rate Stabilization Account shall, at the direction of FMPA, (i) to the extent provided in the current Annual Budget, be credited to or transferred to, as appropriate, any other Fund or Account held under the Resolution, (ii) be applied to make up deficiencies in the Debt Service Account and the Debt Service Reserve Account except deficiencies in the Debt Service Reserve Account due to transfers to the Debt Service Account, (iii) be paid to each Reserve Account Credit Facility Provider to reimburse such provider for any amounts advanced under its Reserve Account Credit Facility, (iv) be applied to make up deficiencies in the Debt Service Reserve Account due to transfers to the Debt Service Account, and (v) be applied to make up deficiencies in the Renewal and Replacement Account and the Contingency Account. The Resolution provides for the application of excess amounts in the Operation and Maintenance Account to make up any deficiencies in certain other Funds established under the Resolution, with any balance to be deposited in the General Reserve Fund. The determination of the amounts and application of any such excess amounts shall be made by FMPA.

- For deposit into the Debt Service Account in the Debt Service Fund, the amounts required so that the balance (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all outstanding Bonds to the end of the then current calendar month) in said Account equals the Accrued Aggregate Debt Service as of the last day of the then current calendar month or, if interest and/or principal are required to be paid to Holders of Bonds during the next succeeding calendar month on a day other than the first day of such calendar month, Accrued Aggregate Debt Service as of the day through and including which such interest and/or principal is required to be paid. The Trustee will apply amounts in the Debt Service Account to the payment of principal of and interest on the Bonds.

With respect to amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installments, the Trustee may, and if directed by FMPA, shall apply such amounts on or prior to the 40th day preceding the due date of such Sinking Fund Installment to (i) the purchase of Bonds of the Series, maturity and

interest rate within each maturity for which such Sinking Fund Installment was established or (ii) the redemption at the applicable Redemption Price of such Bonds.

- To reimburse each Reserve Account Credit Facility Provider for any amounts advanced under its Reserve Account Credit Facility, including paying interest thereon, in accordance with the terms of such Reserve Account Credit Facility and any reimbursement agreement between FMPA and the Reserve Account Credit Facility Provider; to the extent that on any date the amounts available for such reimbursement payments are insufficient to make all such payments, including interest, the amounts actually available shall be paid pro rata, to each Reserve Account Credit Facility Provider in proportion to the payments then due under the respective Reserve Account Credit Facilities; provided, however, that if any such payment shall not result in the reinstatement of a portion of such Reserve Account Credit Facility in an amount equal to such payment (excluding the portion thereof representing interest on such advance), such reimbursement payment shall be made only after the payments otherwise required by the Resolution.

- To the credit of each subaccount in the Debt Service Reserve Account, the amount, if any, required for such subaccounts to equal the Debt Service Reserve Requirement as of the last day of the current calendar month.

Amounts in the Debt Service Reserve Account are to be applied to make up any deficiency in the Debt Service Account. Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all outstanding Bonds in accordance with their terms, the funds on deposit in the Debt Service Reserve Account will be transferred to the Debt Service Account. Whenever monies on deposit in the Debt Service Reserve Account exceed the Debt Service Reserve Requirement, the excess may, if requested by FMPA, be deposited in the Revenue Fund.

- To the Subordinated Debt Fund, the amount, if any, required by the Supplemental Resolution authorizing such issue to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of Subordinated Debt and reserves therefor. FMPA will apply amounts in the Subordinated Debt Fund in accordance with the Supplemental Resolution authorizing the issue. If at any time the amount in the Debt Service Account in the Debt Service Fund is deficient or the amount in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement as a result of a transfer to the Debt Service Account, and there are no available monies sufficient to cure such deficiency in the Reserve and Contingency Fund or the General Reserve Fund, amounts in the Subordinated Debt Fund will be applied to make up such deficiency.

- To the credit of the Reserve and Contingency Fund, for credit to (i) the Renewal and Replacement Account, the amount, if any, budgeted for credit therein during such month in the then current Annual Budget, and (ii) the Contingency Account, the amount, if any, required for such Account to equal the Contingency Requirement.

Amounts in the Renewal and Replacement Account will be applied to the payment of Development Costs and costs of renewals, replacements, repairs, additions, betterments, enlargements and improvements to the System necessary to keep the same in good operating condition or to prevent a loss of Revenues therefrom, or required by any governmental agency having jurisdiction over the System or any part thereof.

Amounts in the Contingency Account will be applied to the payment of costs of major renewals, replacements, repairs, additions, betterments, enlargements and improvements with respect to the System and to the payment of Development Costs, in each case to the extent that amounts credited to the Renewal and Replacement Account are insufficient.

If at any time the amount in the Debt Service Account is deficient or the amount in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement as a result of a transfer to the Debt Service Account, and there are not on deposit in the General Reserve Fund available monies sufficient to cure such deficiency, then FMPA will transfer from the Reserve and Contingency Fund the amount necessary to make up such deficiency.

Amounts in the Renewal and Replacement Account and the Contingency Account which exceed the respective amounts required to be held therein, to the extent not required to make up deficiencies in the Debt Service Fund may be deposited in the Decommissioning Fund, if established, or, in the General Reserve Fund.

- To the credit of the General Reserve Fund, the balance, if any, in the Revenue Fund; FMPA will transfer from the General Reserve Fund amounts in the following order of priority: (i) to the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund the amount necessary to make up any deficiencies in payments to said Accounts except deficiencies in the Debt Service Reserve Account due to transfers to the Debt Service Account (ii) to the Debt Service Reserve Account the amount of any deficiency in such Account resulting from any transfer to the Debt Service Account, and (iii) to the Renewal and Replacement Account and the Contingency Account in the Reserve and Contingency Fund, in that order, the amount necessary to make up any deficiencies in payments to said Fund.

Amounts in the General Reserve Fund not required for any of the above purposes shall upon determination of FMPA be applied to or set aside by FMPA for any one or more of the following: (i) the purchase or redemption of Bonds, and expenses and reserves in connection therewith; (ii) payment of Operation and Maintenance Expenses or credit to the Working Capital Account in the Operation and Maintenance Fund; (iii) payments into any separate accounts established in the Construction Fund; (iv) transfer to the credit of the Renewal and Replacement Account or the Contingency Account in the Reserve and Contingency Fund; (v) transfer to the Subordinated Debt Fund; (vi) transfer to the Rate Stabilization Account in the Operation and Maintenance Fund; (vii) payments of any termination or other fees, expenses, indemnification or other obligations to a Qualified Swap Provider; and (viii) any other lawful purpose of FMPA related to the System.

Debt Service Reserve Account

In lieu of the required deposits and transfers to any subaccount in the Debt Service Reserve Account, FMPA may at any time cause to be deposited into such subaccount for the benefit of the holders of the Bonds and any related Parity Reimbursement Obligations, an insurance policy or a letter of credit in an amount equal to the difference between the Debt Service Reserve Requirement and the sums, if any, then on deposit in such subaccount or being deposited in such subaccount concurrently with such insurance policy or letter of credit. The insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any date on which monies will be required to be withdrawn from the subaccount and applied to the payment of a Principal Installment of or interest on any Bonds and any related Parity Debt entitled to the benefit of such amounts in such subaccount and such withdrawal cannot be met by amounts on deposit in such subaccount. The insurer providing such insurance policy shall be a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest rating categories by each nationally recognized rating agency then rating any Series of Bonds at the request of FMPA. The letter of credit issuer shall be a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in either of the two highest rating categories by each nationally recognized rating agency then rating any Series of Bonds at the request of FMPA. If a disbursement is made pursuant to an insurance policy or a letter of credit, FMPA shall be obligated either (i) to reinstate the maximum limits of such insurance policy or letter of credit or (ii) to deposit into the appropriate subaccount in the Debt Service Reserve Account, funds in the amount of the disbursement made under such insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount in such subaccount equals the Debt Service Reserve Requirement.

In the event of the refunding of any Bonds, the Trustee shall, if FMPA so directs, withdraw from the related subaccount in the Debt Service Reserve Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to the provisions of the Resolution, and (b) the amount remaining in the related subaccount, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof and to any insurance policy or letter of credit deposited in such subaccount, shall not be less than the Debt Service Reserve Requirement. In the event of such refunding, FMPA may also direct the Trustee to withdraw from the related subaccount all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in any Fund or Account under the Resolution; provided, however, that

such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied and provided, further, at the time of withdrawal, there shall exist no deficiency in any Fund or Account held under the Resolution.

Construction Fund

The Resolution establishes a Construction Fund, to be held by the Trustee, into which will be paid amounts required by the provisions of the Resolution and any Supplemental Resolution and, at the option of FMPA, any monies received for or in connection with the System by FMPA from any other source, unless required to be otherwise applied as provided in the Resolution. In addition, subject to the provisions of any agreements relating to the purchase, ownership or operation of any part of the System, proceeds of insurance for physical loss of or damage to the System or of contractors' performance bonds with respect thereto pertaining to the period of construction will be paid into the Construction Fund.

The Trustee will pay to or for the account of FMPA, upon the requisitions of FMPA therefor pursuant to the Resolution, from the Construction Fund, the Cost of Acquisition and Construction of the System. The Trustee will pay to FMPA, upon the requisition therefor, a sum or sums aggregating not more than $10,000,000 to be used by FMPA to establish a revolving fund to pay Costs of Acquisition and Construction which cannot conveniently be paid through the requisition process.

To the extent that other monies are not available therefor, amounts in the Construction Fund will be applied to the payment of principal of and interest on Bonds when due.

Bonds Other Than Refunding Bonds

FMPA may issue Bonds for the purpose of paying all or a portion of the Cost of Acquisition and Construction of the System.

Refunding Bonds

One or more Series of Refunding Bonds may be issued to refund any Outstanding Bonds or Parity Debt. The issuance of Refunding Bonds to refund Outstanding Bonds is subject to the receipt by the Trustee of, among other things, a certificate of an Authorized Officer stating that such Refunding Bonds are being issued to reduce amounts payable under the All-Requirements Power Supply Project Contracts or that the issuance of such Refunding Bonds is otherwise advantageous to FMPA or the Project Participants.

Investment of Certain Funds

The Resolution provides that certain funds and accounts held thereunder may, and in the case of the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund and of the Subordinated Debt Fund must be invested to the fullest extent practicable in Investment Securities. The Resolution provides that such investments will mature no later than such times as necessary to provide monies when needed for payments from such Funds and Accounts. "Investment Securities" are defined in the Resolution to mean and include any of the following securities, if and to the extent the same are at the time legal for investment of FMPA's funds:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (iii) below to the extent unconditionally guaranteed by United States of America;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the

maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Project Notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) direct and general obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state, to the payment of the principal of and interest on which the full faith and credit of such state, agency, instrumentality or local governmental unit is pledged, provided that at the time of their purchase under the Resolution such obligations are rated in either of the two highest categories by a nationally recognized bond rating agency;

(vi) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which shall be rated in the highest rating category by a nationally recognized bond rating agency;

(vii) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee in accordance with the Resolution, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in the highest rating category by a nationally recognized bond rating agency, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by a nationally recognized bond rating agency;

(viii) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee in accordance with the Resolution;

(ix) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue ranked in either of the two highest rating categories by a nationally recognized bond rating agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies);

(x) commercial paper, other than that issued by bank holding companies, (1) rated at the date of investment in the highest rating category by a nationally recognized bond rating agency, or (2) issued by United States corporations which at the date of investment have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in either of the two highest rating categories by a nationally recognized bond rating agency;

(xi) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (i), (iii), (iv), (ix), or (x) above, which securities shall at all times have a market value (exclusive of accrued interest) not less than the full amount of the repurchase agreement, and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking by association, as custodian in the name of or for exclusive benefit of FMPA;

(xii) shares of an Investment Company, organized under the Investment Company Act of 1940 as amended, which invests its assets exclusively in obligations of the type described in clause (i), (vi), (ix), (x), or (xi) above;

(xiii) Local Government Surplus Trust Fund of the State of Florida;

(xiv) Certificates of deposit, whether negotiable or non-negotiable, and banker's acceptance of the 10 largest banks in the State of Florida measured in terms of their primary capital (i.e., equity minus reserves);

(xv) Money market funds rated in the highest category for comparable types of obligations by each Rating Agency then maintaining a rating on the Bonds at the request of FMPA;

(xvi) investment agreements or guaranteed investment contracts with any financial institution whose senior long-term debt obligations or whose obligations under such investment agreement or guaranteed investment contract are guaranteed by a financial institution whose senior long-term debt obligations have a rating (at the time such agreement or contract is entered into) one of the two highest rating categories for comparable types of obligations by each Rating Agency then maintaining a rating on the Bonds at the request of FMPA ; and

(xvii) any other investment in which FMPA is authorized from time to time to invest under applicable law with respect to which an Authorized Officer has, on or before the date thereof, delivered to the Trustee (A) a certificate to the Trustee designating the additional investment as an Investment Security and (B) a Rating Confirmation.

Interest (net of the return of accrued interest paid in connection with the purchase of any investment) earned on any monies or investments in such Funds or Accounts, other than the Construction Fund, shall be paid into the Revenue Fund. Interest on monies or investments in the Construction Fund shall be held in such Fund for the purposes thereof.

The Trustee and FMPA may deposit monies in all Funds and Accounts held by it under the Resolution in banks or trust companies organized under the laws of any state of the United States or national banking associations having capital stock, surplus and undivided earnings of $50,000,000 or more ("Depositories"). All monies held under the Resolution by the Trustee, FMPA or any Depository must be either (i) fully insured by the Federal Deposit Insurance Corporation, or (ii) continuously and fully secured by lodging with the Trustee or FMPA, as custodian, as collateral security, such securities as are described in clauses (i) through (iv), inclusive or in clause (viii), of the definition of "Investment Securities" having a market value not less than the amount of such monies, and secured in such other manner as may then be required by applicable Federal or State of Florida laws and regulations and applicable state laws and regulations of the state in which the Trustee, FMPA or such Depository is located; provided, however, that, to the extent permitted by law, it will not be necessary for the Trustee or any Paying Agent to give security for the deposit of any monies held in trust by it and set aside for the payment of the principal of, Redemption Price of, or interest on any Bonds, or for the Trustee, FMPA or any Depository to give security for any monies which are represented by obligations or certificates of deposit purchased as an investment of such monies.

Creation of Liens

FMPA will not issue any bonds, notes, debentures or other evidences of indebtedness of a similar nature, other than the Bonds and Parity Debt, payable out of or secured by a security interest in or pledge or assignment of the Trust Estate or other monies, securities or funds held or set aside under the Resolution, nor will it create or cause

to be created any lien or charge thereon; provided, however, to the extent permitted by law, FMPA may issue (a) bond anticipation notes, (b) evidences of indebtedness (i) payable out of monies in the Construction Fund as part of the Cost of Acquisition and Construction or (ii) payable out of, or secured by a security interest in a pledge and assignment of, Revenues to be received after the discharge of the pledge of Revenues provided in the Resolution or (c) Subordinated Debt.

Rate Covenant

FMPA covenants that it will fix, establish, maintain and collect rents, rates, fees and charges under the All-Requirements Power Supply Project Contracts and shall otherwise charge and collect rents, rates, fees and charges for the use or the sale of the output, electric capacity and energy or service of the System which, together with other available Revenues, are reasonably expected to yield Net Revenues for the 12-month period commencing with the effective date of such rents, rates and charges which shall be equal to at least the Aggregate Debt Service for such period and, in any event, as shall be required, together with other available funds, to pay or discharge all other indebtedness, charges and liens whatsoever payable out of Revenues under the Resolution; provided, however, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that FMPA intends to pay such Principal Installment from sources other than Revenues. Promptly upon (a) any material decrease in any month in the Revenues anticipated to be produced by any rents, rates or charges at the time of adoption of such rents, rates or charges or any later review thereof, (b) any material increase in expenses of operation of the System on any month not contemplated at the time of adoption of the rents, rates and charges then in effect or any later review thereof, or (c) any other material change in the circumstances which were contemplated at the time such rents, rates and charges were most recently reviewed, but not less frequently than once every 12 months, FMPA shall review the rents, rates, fees and charges so established and shall promptly establish or revise such rents, rates, fees and charges as necessary to comply with the foregoing requirements, provided that such rents, rates, fees and charges shall in any event produce monies sufficient to enable FMPA to comply with all its covenants under the Resolution.

In estimating Aggregate Debt Service on any Variable Rate Bonds for the purposes of the foregoing paragraph, FMPA shall be entitled to assume that such Variable Rate Bonds will bear such interest rate or rates as FMPA shall determine; provided, however, that the interest rate or rates assumed shall not be less than the interest rate borne by such Variable Rate Bonds at the time such estimate is made.

Covenants with Respect to All-Requirements Power Supply Project Contracts

FMPA covenants that it will collect and cause to be deposited in the Revenue Fund all amounts payable to it under the All-Requirements Power Supply Project Contracts or payable to it pursuant to any other contract for the sale or the use of output, capacity, or other service from the System. FMPA will enforce the provisions of the All-Requirements Power Supply Project Contracts and duly perform its covenants and agreements thereunder. FMPA will not consent to any rescission of, or amendment to, or take any action under or in connection with, the All-Requirements Power Supply Contracts unless it complies with the requirements in the Resolution.

Annual Budget

FMPA will file with the Trustee an Annual Budget for each Fiscal Year. The Annual Budget will include monthly appropriations for the estimated Operation and Maintenance Expenses and other expenditures for the System for such year, monthly appropriations for the estimated amount to be credited during each month to the Rate Stabilization Account, the Operation and Maintenance Account and the Working Capital Account in the Operation and Maintenance Fund, and the estimated amount to be credited during each month in the Renewal and Replacement Account and the Contingency Account in the Reserve and Contingency Fund and the Decommissioning Fund, if established, and the requirements, if any, for and the amounts estimated to be expended during each month from each Fund and Account. FMPA shall review quarterly, and at such other times as it deems desirable, its estimates set forth in the Annual Budget and in the event such estimates do not substantially correspond with actual Revenues, Operation and Maintenance Expenses or other requirements, or if there are extraordinary expenses, FMPA shall prepare an amended Annual Budget for the remainder of such fiscal year. FMPA may also at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

Insurance

FMPA will use its best efforts to keep or cause to be kept the properties of the System which are of an insurable nature and of the character usually insured by those operating properties similar to the System and in which FMPA has an insurable interest insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. FMPA will at all times use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the System. FMPA will only be required to obtain such insurance if the same is available at reasonable rates and upon reasonable terms and conditions but if such insurance is not so obtainable, FMPA shall deliver an opinion to the Trustee of an independent insurance consultant to that effect.

Accounts and Reports

FMPA will keep or cause to be kept proper and separate books of records and accounts relating to the System, the Funds and Accounts established under the Resolution and relating to costs and charges under the All-Requirements Power Supply Project Contracts. Such books, together with all contracts and all other books and papers of FMPA relating to the System, will at all times be subject to the inspection of the Trustee and the holders of not less than 5% in principal amount of Bonds then outstanding.

FMPA will file annually with the Trustee and the Consulting Engineer an annual report, accompanied by an accountant's certificate, relating to the financial position of the System, statements of assets and liabilities, statements of Revenues and Operation and Maintenance Expenses, a summary with respect to Funds and Accounts established under the Resolution of the changes in financial condition during such year, and a statement as to the existence of any default under the provisions of the Resolution.

FMPA will notify the Trustee forthwith of any Event of Default or default in the performance by FMPA of any covenant, agreement or condition of the Resolution. FMPA will file annually with the Trustee a certificate stating whether, to the best of the signer's knowledge and belief, FMPA has complied with its covenants and obligations in the Resolution and whether there is then existing any Event of Default or other event which would become an Event of Default upon lapse of time.

The reports, statements and other documents required to be furnished to the Trustee pursuant to provisions of the Resolution will be available for the inspection of holders of the Bonds at the office of the Trustee and will be mailed to each holder of the Bonds who files a written request therefor with FMPA. FMPA may charge for such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Amendments and Supplemental Resolutions

Any of the provisions of the Resolution may be amended by FMPA by a supplemental resolution upon the consent (a) of the holders of at least a majority in principal amount of the Bonds outstanding at the time such consent is given and (b) if less than all of the several Series of outstanding Bonds are affected of the holders of at least a majority in principal amount of each Series so affected and outstanding. No such amendment may permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any outstanding Bond or any installment of interest thereon or make any reduction in principal amount, redemption price or rate of interest without consent of each affected holder, or reduce the percentages of consents required for a further amendment.

Also, to the extent that all or any portion of Bonds or any Series of Bonds are insured by any nationally recognized company engaged in the business of insuring municipal bonds, such insurance company will be deemed to be the holder of Bonds of any Series as to which it is the insurer at all times for the purpose of giving any approval or consent to the execution and delivery of any supplemental resolution or any amendment, change or modification of the Resolution which requires the written approval or consent of the holders of at least a majority in aggregate principal amount of Bonds of such Series at the time Outstanding.

FMPA may adopt (without the consent of any holders of the Bonds) supplemental resolutions to close the Resolution against, or impose limitations upon, issuance of bonds or other evidences of indebtedness; to add to the covenants and agreements of FMPA in the Resolution; to add to the limitations and restrictions contained in the Resolution; to authorize Bonds of a Series; to authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of coupon bonds registrable as to principal only or in the form of Bonds issued and held in book-entry form on the books of FMPA or any Fiduciary appointed for that purpose by FMPA; to establish for any Series of Bonds a separate subaccount in the Debt Service Reserve Account and make such other amendments to the Resolution necessary or desirable to insure that such Accounts and subaccounts functions in the manner contemplated; to authorize Parity Debt; to authorize Subordinated Debt of a Series; to provide for a Bond Support Facility, Reserve Account Credit Facility, Qualified Swap or other similar arrangement with respect to any Series of Bonds; to reflect the substitution of a new Bond Support Facility or a new Qualified Swap Provider; to confirm any pledge under the Resolution of Revenues or other monies, securities or other funds; to modify any of the provisions of the Resolution provided that such modification is effective only after all Bonds of each Series outstanding at the date of such modification will cease to be outstanding; to add additional Events of Default; to add provisions relating to the application of interest earnings on any Fund or Account under the Resolution required by law to preserve the exemption of interest received on Bonds then Outstanding or to be issued from Federal and/or State income taxation; and to appoint a Trustee. FMPA may adopt (without the consent of any holders of the Bonds but with the consent of the Trustee) supplemental resolutions to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Resolution, and to clarify matters or questions arising under the Resolution and not contrary to or inconsistent with the Resolution.

In addition to the purposes described above, FMPA may with the consent of the Trustee but without the consent of Bondholders amend the Resolution to make any amendment or modification which the Trustee, in its sole discretion, determines will not have a material adverse effect on Bondholders.

Notwithstanding anything in the Resolution to the contrary, the consent of the owners of any Series of Bonds to be issued thereunder shall be deemed given if the underwriters or initial purchasers for resale consent in writing to such Supplemental Resolution and the nature of the amendment effected by such Supplemental Resolution is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds is offered and sold to the public.

Trustee, Paying Agents

The Resolution requires the appointment by FMPA of one or more Paying Agents (which may include the Trustee). The Trustee may at any time resign on 120 days' written notice to FMPA and may at any time be removed by FMPA with or without cause provided that no Event of Default exists or would exist with notice and/or passage of time. A successor Trustee may be appointed by FMPA, or if FMPA fails to appoint a successor Trustee within 60 days, by the holders of a majority in principal amount of the Bonds then outstanding. Any successor Trustee must be a bank or trust company organized under the laws of any state or a national banking association having capital stock, surplus and undivided earnings aggregating at least $50,000,000 if there be such an entity willing to accept such appointment.

Exchange, Transfer and Registry

In all cases in which the privilege of transferring or exchanging the Bonds is exercised, FMPA will execute and the Trustee will authenticate and deliver the Bonds in accordance with the provisions of the Resolution. For every such exchange or transfer of the Bonds, FMPA or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither FMPA nor the Bond Registrar will be required to transfer or exchange the Bonds for a period of 15 days next preceding an interest payment date or next preceding any selection of the Bonds to be redeemed or thereafter until after the mailing of any notice of redemption.

Defeasance

The pledge of the Trust Estate, and all covenants, agreements and other obligations of FMPA to the holders of the Bonds under the Resolution will cease, terminate and become void and be discharged and satisfied whenever

all Bonds have been paid in full. Bonds will be deemed to have been so paid whenever the following conditions are met: (a) there shall have been deposited with the Trustee either monies in an amount which will be sufficient, or Investment Securities (as defined in the paragraph under the heading "Investments of Certain Funds and Accounts"), the principal of and the interest on which, when due, will provide monies which, together with any monies also deposited with the Trustee, will be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on such Bonds, (b) in the case of Bonds to be redeemed prior to maturity, FMPA has given to the Trustee instructions to mail the notice of redemption therefor, (c) in the event such Bonds are not subject to redemption within the next succeeding 60 days, FMPA has given to the Trustee instructions to mail a notice to the holders of such Bonds that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to be paid and stating the maturity or redemption date upon which monies are to be available to pay the principal or redemption price, if applicable, on such Bonds, and (d) all Parity Debt has been repaid in full or payment thereof has been otherwise provided for. The Trustee will, as and to the extent necessary, apply monies held by it as above described to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Resolution.

If so directed by FMPA prior to (i) the maturity date of Bonds deemed to have been paid as described in the preceding paragraph which are not to be redeemed prior to their maturity date or (ii) the mailing of the notice referred to in clause (b) above with respect to Bonds deemed to have been paid as described above which are to be redeemed prior to their maturity date, the Trustee is required to apply monies deposited with it in respect of Bonds in accordance with clause (a) above and redeem or sell Investment Securities so deposited with it and apply the proceeds thereof to the purchase of such Bonds and the Bonds so purchased shall be immediately cancelled by the Trustee. No such Bonds shall be purchased unless the monies and the Investment Securities remaining on deposit with the Trustee after such purchase and cancellation would be sufficient to pay when due the Principal Installment or redemption price, if applicable, and interest due, or to become due, on all Bonds in respect to which such monies and Investment Securities are being held by the Trustee. If, at any time prior to the happening of the events described in clauses (i) and (ii) of this paragraph, FMPA shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered. In the event that on any interest payment date as a result of any such purchases or deliveries and cancellations of Bonds the total amount of monies and Investment Securities remaining on deposit with the Trustee is in excess of the total amount required to be deposited with the Trustee on such date in respect to the remaining Bonds in order to comply with clause (a) of the first paragraph of this section, the Trustee shall, if requested by FMPA, pay the amount of such excess to FMPA free and clear of the pledge or lien of the Resolution.

For purposes of defeasance, Investment Securities mean (i) only such securities as are described in clause (i), (iv), (vi), (vii) or (viii) of the definition of Investment Securities under the caption "Investment of Certain Funds and Accounts" above which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof; (ii) such securities as are described in clause (ii) of the definition of Investment Securities which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof or (iii) upon compliance with the provisions of the following paragraph, securities described in clause (i), (iv), (vi), (vii) or (viii) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

Investment Securities described in clause (iii) of the foregoing paragraph may be included in the Investment Securities deposited with the Trustee for purposes of defeasance only if the determination as to whether the monies and Investment Securities to be deposited with the Trustee would be sufficient to pay when due, either at the maturity date thereof or, in the case of any Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee or in the instructions to mail notice of redemption provided to the Trustee in accordance with the Resolution, the principal and Redemption Price, if applicable, and interest on the Bonds is made both on the assumption that the Investment Securities described in clause (iii) of the foregoing paragraph were not redeemed at the option of the issuer prior to the maturity date thereof and on the assumptions that such Investment Securities would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest

ceased to accrue on such Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

In the event that Investment Securities described in such clause (iii) are deposited with the Trustee, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of FMPA, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of FMPA be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with the defeasance provisions of the Resolution upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of such Investment Securities have been called for redemption or have been redeemed by the issuer thereof prior to the maturity date thereof.

Events of Default and Remedies

Events of Default specified in the Resolution include (i) failure to pay principal or redemption price of any Bond or Parity Reimbursement Obligation when due; (ii) failure to pay any interest installment on any Bond or Parity Reimbursement Obligation or the unsatisfied balance of any Sinking Fund Installment thereon when due; (iii) certain events of bankruptcy or insolvency of FMPA, and (iv) default by FMPA in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds, and such default shall continue for a period of 90 days after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a “Notice of Default” under the Resolution has been given to FMPA by the Trustee or to FMPA and to the Trustee by the Holders of not less than 10% principal amount of the Bonds Outstanding. Upon the happening of any such Event of Default the Trustee or the Holders of not less than 25% in principal amount of the Bonds then outstanding may declare the principal of and any accrued interest on all Bonds then outstanding due and payable immediately (subject to a rescission of such declaration upon the curing of such default before the Bonds have matured).

Upon the occurrence of any Event of Default which has not been remedied, FMPA will, upon demand of the Trustee (a) order all Project Participants to make payments due under the All-Requirements Power Supply Project Contracts directly to the Trustee for deposit in the Revenue Fund, (b) grant to the Trustee all rights and remedies of FMPA in the All-Requirements Power Supply Project Contracts, and (c) pay over or cause to be paid over to the Trustee forthwith, all monies, securities and funds held by FMPA in any Fund under the Resolution and all Revenues which are not paid directly to the Trustee. The Trustee will apply all monies, securities, funds and Revenues received during the continuance of an Event of Default in the following order: (i) to payment of the reasonable and proper fees, charges, expenses and liabilities of the Trustee and Paying Agents, (ii) to the payment of Operation and Maintenance Expenses and for reasonable renewals, repairs and replacements of the System necessary in the Trustee’s judgment to prevent loss of Revenues, and (iii) to the payment of interest and principal or redemption price of Bonds or Parity Debt without preference or priority of interest over principal or principal over interest or of any installment of interest over any other installment of interest or of any Bond or Parity Debt over any other Bond or Parity Debt, unless the principal of all Bonds has not become or has not been declared due and payable, in which case first to the payment of interest and second to the payment of principal or redemption price on those Bonds or Parity Debt which have become due and payable in order of their due dates and, if the amount available is not sufficient to pay in full all the amounts due on any date, then to the payment thereof ratably, according to the amounts of interest, principal or redemption price due on such date. In addition, the Trustee will have the right to apply in an appropriate proceeding for appointment of a receiver of the System.

If an Event of Default has occurred and has not been remedied the Trustee may, and on written request of the holders of not less than 25% in principal amount of Bonds outstanding must, proceed to protect and enforce its rights and the rights of the holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant in the Resolution or in aid of the execution of any power granted in the Resolution or for an accounting against FMPA or in the enforcement of any other legal or equitable right, as the Trustee deems most effectual to enforce any of its rights or to perform any of its duties under the Resolution. The Trustee may, and upon the request of the holders of not less than 25% in principal amount of the Bonds then outstanding and upon being furnished with reasonable security and indemnity must, institute and

maintain such suits and proceedings to prevent any impairment of the security under the Resolution or to preserve or protect the interests of the Trustee and of the holders of the Bonds.

No holder of the Bonds will have any right to institute any suit, action or proceeding for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless (a) such holder of the Bonds previously has given the Trustee written notice of an Event of Default, (b) the holders of at least 25% in principal amount of the Bonds then outstanding have filed a written request with the Trustee and have afforded the Trustee a reasonable opportunity to exercise its powers or institute such suit, action or proceeding, (c) there have been offered to the Trustee adequate security and indemnity against its costs, expenses and liabilities to be incurred and (d) the Trustee has refused to comply with such request within 60 days after receipt of such notice, request and offer of indemnity. Nothing in the Resolution or the Bonds affects or impairs FMPA's obligation to pay the Bonds and interest thereon when due or the right of any holder of the Bonds to enforce such payment.

The holders of not less than a majority in principal amount of Bonds then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred upon the Trustee, subject to the Trustee's right to decline to follow such direction upon advice of counsel as to the unlawfulness thereof or upon its good faith determination that such action would involve the Trustee in personal liability and the holders shall not indemnify the Trustee or would be unjustly prejudicial to holders of the Bonds not parties to such direction.

If the Bonds have not yet been accelerated and with the consent of the Insurer, the holders of not less than a majority in principal amount of the Bonds at the time outstanding may, on behalf of the holders of all the Bonds, waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of, or premium, if any, on the Bonds.

Notice of Default

Notice of the occurrence of any Event of Default will be promptly mailed to each registered owner of Bonds then outstanding at his address appearing in the registry books of FMPA.

Additional Provisions Relating to the Offered Securities – Tax Covenants Relating to the Series 2017A Bonds

FMPA covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017A Bonds, FMPA will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, FMPA agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, FMPA agrees to continually comply with the provisions of the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986" to be executed by FMPA in connection with the execution and delivery of the Offered Securities, as amended from time to time.

The Supplemental Resolution also contains provisions and restrictions with respect to defeasance which are related to the Code.

SUMMARY OF CERTAIN PROVISIONS OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT CONTRACTS

Term

Unless otherwise described in this Official Statement, the All-Requirements Power Supply Contracts shall remain in effect until October 1, 2047, and are thereafter subject to an automatic extension of one additional year each October 1. Each year the Power Supply Contract is automatically extended for one additional year so that it

will always have a term of at least 30 years unless a Project Participant affirmatively elects, upon one year's prior notice, not to extend the Power Supply Contract. See also "Withdrawal by Participant" below.

Sale and Purchase

FMPA agrees to sell and deliver to the Project Participant, and the Project Participant agrees to purchase and receive from FMPA, all electric capacity and energy (including any associated transmission and dispatching services) which the Project Participant shall require for the operation of its municipal electric system over and above the Project Participant's Excluded Power Supply Resources, if any, specified in the All-Requirements Power Supply Project Contract and over and above Backup and Support Services (the "All-Requirements Services").

However, on any January 1, upon at least five years prior written notice to FMPA, the Project Participant may limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant as All-Requirements Services for the remainder of the term of the contract so as not to exceed the CROD determined as follows: the "Contract Rate of Delivery" shall be the peak demand of the Project Participant for electric capacity and energy as All-Requirements Services under the All-Requirements Power Supply Project Contract during the 12 months preceding the date one month prior to the date such limitation shall commence, as determined by FMPA, adjusted up or down by not more than 15% so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion. Such CROD shall be reduced by FMPA by the total of the Project Participant's then current Capacity Credit Resources, and Partial Requirements Purchase Contract and any power supply resources the Project Participant is obligated to purchase from other FMPA power supply projects, if any, as defined and determined pursuant to the Project Participant's Capacity and Energy Sales Contract, if applicable. However, such reduction of the CROD shall not result in a negative amount of the CROD. Additionally, the Project Participant may not make such a reduction in the CROD more than once during the term of the Contract.

Payments by Each Participant

Each Project Participant is required to pay for all electric capacity and energy furnished pursuant to its All-Requirements Power Supply Project Contract at its point or points of delivery according to rates to be established by FMPA. The rates of FMPA are to be reviewed at least once a year and, if necessary, revised so as to provide revenues sufficient to meet the estimated "Revenue Requirements" of FMPA. The term Revenue Requirements is defined to include generally all costs and expenses paid or incurred or to be paid or incurred by FMPA resulting from the ownership, operation, maintenance, termination, retirement from service and decommissioning of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the System or otherwise relating to the acquisition and sale of electric capacity and energy and dispatching and transmission services, providing Back-up and Support Services and the performance by FMPA of its obligations under the All-Requirements Power Supply Project Contracts. The term Revenue Requirements includes, without limitation, all debt service on Bonds issued by FMPA to finance its system and, all amounts required, under the Resolution, to be deposited in funds, including the Operation and Maintenance Fund established thereunder. FMPA is also required to bill each Project Participant monthly on a prompt and timely basis in accordance with a schedule to be determined by FMPA.

If a Project Participant fails to take power made available by FMPA which it is required to take under its All-Requirements Power Supply Project Contract, it will be obligated to pay the Agency for such availability an amount equal to the product of the demand charge in FMPA's rate schedule and the billing demand computed on the basis of the kilowatts that would otherwise have been taken from FMPA.

Payments by each Participant under its All-Requirements Power Supply Project Contract shall be treated as an operating expense from the revenues of its electric utility system (or, if the electric utility system is part of an integrated utility system, from the revenues of such larger system), and from other funds of such system legally available therefor. The obligation of each Project Participant to make such payments is not a general obligation and each Project Participant is not required to make such payments from any funds other than those of its electric utility system or integrated utility system of the Project Participant of which the electric utility system is part, and from other funds of such system legally available therefor.

The obligations of each Project Participant to make payments under the rate schedule shall not be subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and shall not be otherwise conditioned upon the performance by FMPA under the All-Requirements Power Supply Project Contract or any other agreement.

Rate Covenant

Each Project Participant agrees to establish, levy and collect rents, rates and other charges for all products and services provided by its electric or integrated utility system which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric or integrated utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, its All-Requirements Power Supply Project Contract, and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

Restrictions on Disposition of Electrical System, Sales for Resale

Each Project Participant has agreed that it will not sell, lease, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except on 90 days' prior written notice to FMPA and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall assign the All-Requirements Power Supply Project Contract and its rights and interest thereunder to the purchaser or lessee of the electric system and such purchaser or lessee shall assume all obligations of the Project Participant under the All-Requirements Power Supply Project Contract; (ii) FMPA shall be permitted by then applicable law to sell electric capacity and energy to said purchaser or lessee, if any; and (iii) FMPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect FMPA's ability to meet its obligations under the All-Requirements Power Supply Project Contract or any contract, agreement or arrangement to which FMPA is a party as either principal or agent pursuant to which FMPA satisfies all or any part of its obligations to provide electric capacity and energy and dispatching and transmission services under the All-Requirements Power Supply Project Contract or the All-Requirements Power Supply Project Contracts with the other Project Participants, and will not adversely affect the value of the All-Requirements Power Supply Project Contract as security for the payment of Bonds and interest thereon or adversely affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal or State of Florida tax-exempt status.

A Project Participant may sell at wholesale any of the electric capacity and energy delivered to it pursuant to the All-Requirements Power Supply Project Contract to any customer of the Project Participant or any other entity for resale by that customer or entity, provided that it has first given FMPA five years' written notice of its intent to sell such electric capacity and energy and at the time of such notice provided FMPA with projected data regarding any such sales anticipated for the ensuing five year period. FMPA, after receipt of such notice, shall have 180 days in which to impose limits on the amount of electric capacity and energy to be sold or to veto such sale if the sale will jeopardize FMPA's availability of resources to serve its Project Participants, increase the cost of electric capacity and energy to FMPA, or violate the covenant of the Project Participant that it shall not use or permit to be used any of the electric capacity and energy acquired under the All-Requirements Power Supply Project Contract in any manner or for any purpose or take any other action or omit to take any action which would result in the loss of the federal or State of Florida tax-exempt status of the interest on any Bond or Bonds issued by FMPA or which could be issued by FMPA in the future.

Authorization and Approval of Additional Projects for the System

FMPA is authorized by the Project Participants to undertake projects to be included in the System as part of the All-Requirements Power Supply Project from time to time which are necessary or desirable to enable FMPA to fulfill satisfactorily its obligations to use its best efforts to supply electric capacity and energy to the Project Participants pursuant to the All-Requirements Power Supply Project Contracts and which projects, to the extent required by the next paragraph, have been approved by the Executive Committee and the Project Participants

pursuant to the terms of the next paragraph and to issue Bonds for the purpose of paying all or any part of the costs of any of the projects or for any other purposes authorized by the laws of the State of Florida relating to the System.

The participation of FMPA in any project for the construction, acquisition, purchase, lease or other use of any generation, dispatching, load management or transmission resources, output or services that is to be included in the System requiring the issuance of Bonds by FMPA or assumption or guaranty by FMPA of other obligations or requiring the execution by FMPA of any power supply contract or agreement (other than interchange agreements with other utilities) with a basic term of more than seven (7) years must be approved by (a) a majority affirmative vote of all of the Project Participants, with each Project Participant entitled to cast one vote, and if so approved, (b) the Executive Committee, to the extent and in a manner provided by the laws of the State of Florida, the Interlocal Agreement, the By-Laws of FMPA and/or the Resolution.

Withdrawal by Participant

A Participant may, but only upon satisfaction of certain conditions, terminate its Power Supply Contract and withdraw from the All-Requirements Power Supply Project by notifying FMPA and all other Participants in writing of its intention to do so at least three years prior to the intended Withdrawal Date (which date must be a September 30). Any such notice shall be irrevocable.

The Project Participant shall, on the anticipated Withdrawal Date, pay to FMPA an amount in cash equal to:

1. the amount necessary to call (including payment of any required call premiums and interest to the call date or dates), on the first permissible call date or dates, a percentage of FMPA's then outstanding Bonds (other than Bonds issued to finance additions to the System which FMPA committed to after the receipt of the Project Participant's withdrawal notice) equal to the greater of the Project Participant's share of the All-Requirements Power Supply Project's total electric load on the date of receipt of the withdrawal notice or such share on the Withdrawal Date. Such amount shall be calculated on the assumption that the Bonds to be called will be the applicable percentage of each Series of such Bonds and of each maturity within each such Series. Unless all or any portion of such cash is needed at any time to cure any deficiency in any fund or account under the Resolution, FMPA will deposit such amount in a separate account in the General Reserve Fund and will retain such amount in such account pending its application to redeem Bonds, to purchase Bonds in the open market, or to pay other capital costs of the All-Requirements Power Supply Project; pending the decision as to such application, such cash may be invested only in securities which could be deposited in an escrow fund to defease Bonds under the Resolution; and

2. an amount equal to the present value on the Withdrawal Date, calculated at the rate of 6% per annum, of all of the additional costs reasonably incurred, paid or reasonably anticipated to be incurred or paid, or reasonably projected to be incurred by FMPA (as determined by FMPA in its sole discretion) as a result of the withdrawal of the Project Participant, over the term specified in such Project Participant's All-Requirements Power Supply Project Contract (as determined on the anticipated Withdrawal Date). Such costs shall be determined on the assumption that, during the remaining term of such Project Participant's All-Requirements Power Supply Project Contract, FMPA was unable to make use of or sell any generating, transmission or other resources (or portions thereof) which FMPA had anticipated would be used to supply, or had acquired with the intention of supplying, all or any portion of the withdrawing Project Participant's electric load. Such amount shall, unless all or any portion thereof is required at any time to be used to cure any deficiency in any fund or account under the Resolution, be deposited into and retained in a separate account in the General Reserve Fund to be applied to pay any such costs actually incurred and/or to make any payments required to be made to such withdrawing Project Participant described below.

If and to the extent that any amounts received by FMPA pursuant to either clause 1 or clause 2 described above are applied to cure any deficiency in any fund or account under the Resolution, FMPA shall be required to restore to the separate account under clause 1 or clause 2 the amount so applied from the Revenues (as defined in the Resolution) of the All-Requirements Power Supply Project, and FMPA shall treat such obligation to restore as an expense of the All-Requirements Power Supply Project in determining Revenue Requirements. In addition, at the end of each fiscal year of the All-Requirements Power Supply Project, FMPA may, in its sole discretion, remove from either the separate account provided for payments received under clause 1 described above or the account

provided for payments received under clause 2 described above, or both, such amounts determined by FMPA to be in excess of the amounts needed to make the payments anticipated to be made from such accounts and deposit such excess amounts in the General Reserve Fund itself.

In addition to the cash payments described above, any such withdrawal is subject to the receipt of the following approval, confirmation and opinion. If FMPA has Bonds outstanding which are secured by some form of credit support, any required approvals of the provider thereof shall have been obtained within six months of receipt of notice of withdrawal. If FMPA has any Bonds outstanding which are not so secured and which are rated by a national rating agency, the rating in effect prior to the delivery to FMPA of notice of such withdrawal must be confirmed by the rating agency within six months of such notice of withdrawal. FMPA must receive an opinion of Bond Counsel which determines that such withdrawal does not adversely affect the federal and/or State of Florida tax-exempt status on any Bonds then outstanding or which FMPA may issue in the future. If such withdrawal would require FMPA to obtain a "cap' allocation to issue any future Bonds, such requirement shall be treated as adversely affecting the federal and/or State of Florida tax-exempt status of Bonds or future bonds.

Within 180 days after the first anniversary of such withdrawal and annually thereafter for the specified term of the withdrawing Project Participant's All-Requirements Power Supply Project Contract (as such term is determined on the Withdrawal Date), FMPA will pay to the withdrawing Project Participant an amount equal to the additional benefits actually received by FMPA during the preceding year as a result of such withdrawal as calculated by FMPA in its sole discretion. The net amount of payments to the withdrawing Project Participant may not exceed 90% of the payment to FMPA by the Project Participant as described in clause 2 above. To the extent that the amounts remaining on deposit in the separate account described in clause 2 above are, or are anticipated to be, insufficient to make any payment described in this paragraph, the amount required to make such payment shall be treated as an expense of the All-Requirements Power Supply Project to be recovered as a Revenue Requirement.

If all of the foregoing conditions have not been satisfied on the anticipated Withdrawal Date, the Project Participant shall continue as a Project Participant in the All-Requirements Power Supply Project. In such event, the Project Participant shall pay all costs incurred by FMPA as a result of the Project Participant's anticipated withdrawal and subsequent continuance in the All-Requirements Power Supply Project, and FMPA shall have no obligation to make any payments to the Project Participant described in the preceding paragraph.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Offered Securities in definitive form, Nixon Peabody LLP, New York, New York, Bond Counsel to FMPA, proposes to render its final approving opinion in substantially the following form:

[Date of Closing]

Executive Committee
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, Florida 32819

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the $69,625,000 aggregate principal amount of All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A (the "2017A Bonds") and $52,925,000 aggregate principal amount of All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable) (the "2017B Bonds" and, collectively with the 2017A Bonds, the "Offered Securities") of Florida Municipal Power Agency ("FMPA"), a governmental legal entity of the State of Florida, organized and existing under Section 163.01 and Chapter 36l, Part II, of the Florida Statutes, as amended (collectively, the "Act").

The Offered Securities are issued under and pursuant to the Constitution and Statutes of the State of Florida, and particularly Chapter 166, Part II, Florida Statutes, as amended, and under and pursuant to a resolution of FMPA adopted on March 22, 1985 entitled "All-Requirements Power Supply Project Revenue Bond Resolution", as amended and restated in its entirety on May 23, 2003, as supplemented and amended to the date hereof, including as supplemented and amended by the Supplemental and Amendatory All-Requirements Power Supply Project Revenue Bond Resolution (Governance Amendments) adopted May 24, 2007 and as supplemented by the Series 2017A Supplemental All-Requirements Power Supply Project Revenue Bond Resolution (Fixed Rate Bonds) authorizing the 2017A Bonds and the Series 2017B Supplemental All-Requirements Power Supply Project Revenue Bond Resolution (Fixed Rate Bonds) authorizing the 2017B Bonds, each adopted on May 18, 2017 (such All-Requirements Power Supply Project Refunding Revenue Bond Resolution as so supplemented and amended being herein called the "Resolution").

The Offered Securities are numbered from one (1) consecutively upward and have the numbers and letters 17AR- prefixed to their numbers in the case of the 2017A Bonds and the numbers and letters 17BR- prefixed to their numbers in the case of the 2017B Bonds. The Offered Securities are dated their date of delivery, and, except as otherwise provided in the Resolution, bear interest from such date or the most recent payment date to which interest has been paid or duly provided for. Interest on the Offered Securities is payable on each April 1 and October 1, commencing October 1, 2017. The Offered Securities will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, shown or described in the Official Statement relating to the Offered Securities. The Offered Securities are subject to redemption prior to maturity as provided in the Resolution.

The Offered Securities are issuable in the form of fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000 in excess thereof. The Offered Securities are exchangeable as provided in the Resolution.

FMPA reserves the right to issue Additional Bonds and Refunding Bonds on the terms and conditions and for the purposes stated in the Resolution. Under the provisions of the Resolution, such Additional Bonds will rank

equally as to security and payment with the Offered Securities and with FMPA's currently Outstanding All-Requirements Power Supply Project Revenue Bonds.

All terms defined in the Resolution and used herein shall have the meanings assigned in the Resolution, except where the context hereof otherwise requires.

FMPA has entered into separate All-Requirements Power Supply Project Contracts with fifteen Florida entities (the "Participants") (as amended and supplemented from time to time, the "Power Supply Contracts"), pursuant to which FMPA will sell and deliver to each Participant, and each Participant agrees to purchase and receive from FMPA, all electric capacity and energy (including any associated transmission and dispatching services) which such Participant shall require for the operation of its municipal electric system over and above the Excluded Power Supply Resources (as defined in the Power Supply Contracts) or, if a Participant has so elected, electric capacity and energy at a CROD (as defined in the Power Supply Contracts). The payments by each Participant under its Power Supply Contract shall be treated as an operating expense payable from the revenues of its electric utility system (or, if the electric utility system is part of an integrated utility system, from the revenues of such larger system) and from other funds of such system legally available therefor. The obligation of each Participant to make such payments is not a general obligation, and each Participant is not required to make such payments from any funds other than those of its electric utility system, or integrated utility system of the Participant of which the electric utility system is part, and from other funds of such system legally available therefor.

We have also examined one of said 2017A Bonds and one of said 2017B Bonds, as executed and, in our opinion, the form of said 2017A Bond and the form of said 2017B Bond are each regular and proper.

We are of the opinion that:

1. FMPA is a governmental legal entity duly created and validly existing under the provisions of the Act.

2. FMPA has the right and power under the Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by FMPA, is in full force and effect, is valid and binding upon FMPA and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create for the benefit of the holders of the Offered Securities of (i) the proceeds of the sale of Bonds (ii) all right, title and interest of FMPA in, to and under the Power Supply Contracts, (iii) the Revenues (as defined in the Resolution), and (iv) all Funds, established by the Resolution (other than the Decommissioning Fund, if established) including the investment income, if any, thereon, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. FMPA is duly authorized and entitled to issue the Offered Securities, and the Offered Securities have been duly and validly authorized and issued by FMPA in accordance with the Constitution and Statutes of the State of Florida, and particularly Chapter 166, Part II, Florida Statutes, as amended, and the Resolution, and constitute the valid and binding obligations of FMPA as provided in the Resolution, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Act and the Resolution. The Offered Securities are special obligations of FMPA payable solely out of the Revenues and other funds pledged thereto under the Resolution, and neither the State of Florida nor any political subdivision thereof, nor any city or other entity which is a member of FMPA, other than FMPA, is obligated to pay the principal of and premium, if any, and interest on the Offered Securities, and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or any such city or other entity is pledged to the payment of the principal of and premium, if any, or interest on the Offered Securities. Under the Resolution, FMPA may issue additional Bonds and may incur additional obligations constituting Parity Debt on parity with the Bonds.

4. FMPA has the right and power to enter into and carry out its obligations under each Power Supply Contract, and each Power Supply Contract has been duly authorized, executed and delivered by FMPA and, assuming due authorization, execution and delivery by each respective Participant, constitutes a valid and binding agreement of FMPA in accordance with its terms.

5. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Resolution, and the covenants, agreements and obligations of FMPA to the holders of the Refunded Bonds have been discharged and satisfied.

6. Under the Constitution and general laws of the State of Florida, the Power Supply Contracts of the respective Participants constitute the valid and binding agreements of the respective Participants, enforceable in accordance with their respective terms. In rendering the foregoing opinion, we have made no investigation of, and do not express any opinion with respect to, the following as they may relate to the valid and binding nature of such Power Supply Contracts: (i) the legal existence or formation of any Participant or the incumbency of any official or officer thereof, (ii) the charter, bylaws or other governing instruments of any Participant, (iii) any local or special acts or any ordinance, resolution or other proceedings of any Participant, including, without limitation, any proceedings relating to the negotiation or authorization of any such Power Supply Contract or the execution, delivery or performance thereof, (iv) any bond resolution, indenture, contract, debt instrument, agreement or other instrument (other than such Power Supply Contracts) or any governmental order, regulation or rule of or applicable to any Participant, (v) any judicial order, judgment or decree in a proceeding to which any Participant is a party, or (vi) any approval, consent, filing, registration or authorization by or with any regulatory authority or other governmental or public agency, authority or person which may be or has been required for the authorization, execution, delivery or performance by any Participant of its Power Supply Contract. FMPA has received opinions, independent from this opinion, with respect to, among other things, the validity and enforceability of the Power Supply Contracts with the Participants rendered by legal counsel to the respective Participants.

7. The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the 2017A Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2017A Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the 2017A Bonds. Pursuant to the Resolution, FMPA has covenanted to comply with applicable requirements of the Code in order to maintain the exclusion from gross income of the interest on the 2017A Bonds pursuant to Section 103(a) of the Code, and in furtherance thereof, to comply with the tax certificate executed by FMPA in connection with the issuance and delivery of the 2017A Bonds. In addition, FMPA has made certain factual representations and certifications of expectations as to tax matters, contained in that tax certificate. We have not independently verified the accuracy of those certifications and representations. Under existing law, and assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the 2017A Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the 2017A Bonds is included in adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

8. We note that interest on the 2017B Bonds is not excluded from gross income for federal income tax purposes and so will be fully subject to federal income taxation; this opinion is not intended or provided by Bond Counsel to be used and cannot be used by an owner of the 2017B Bonds for the purpose of avoiding penalties that may be imposed on the owner of such 2017B Bonds. The opinion set forth in this paragraph is provided to support the promotion or marketing of the 2017B Bonds. Each owner of the 2017B Bonds should seek advice based on its particular circumstances from an independent tax advisor.

Except as stated in the preceding paragraphs (7) and (8), we express no opinion as to any other Federal, state or local tax consequences of the ownership or disposition of the Offered Securities. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Offered Securities, or the interest thereon, if any action is taken or not taken with respect to the Offered Securities or the proceeds thereof upon the advice or approval of other bond counsel.

The opinions set forth above are subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America.

By use of the word “enforceable” in this opinion, we are not rendering any opinion as to the availability of the remedy of specific performance or other equitable relief.

Very truly yours,

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Offered Securities. The Offered Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Offered Security certificate will be issued for each Series and maturity of the Offered Securities, in the aggregate principal amount of such Series and maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Offered Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Securities on DTC's records. The ownership interest of each actual purchaser of each Offered Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Offered Securities, except in the event that use of the book-entry system for the Offered Securities is discontinued.

To facilitate subsequent transfers, all Offered Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. BENEFICIAL OWNERS OF OFFERED SECURITIES MAY WISH TO TAKE CERTAIN STEPS TO AUGMENT THE TRANSMISSION TO THEM OF NOTICES OF SIGNIFICANT EVENTS WITH RESPECT TO THE OFFERED SECURITIES, SUCH AS REDEMPTIONS, TENDERS, DEFAULTS, AND PROPOSED AMENDMENTS TO THE SECURITY DOCUMENTS. FOR EXAMPLE, BENEFICIAL OWNERS OF

OFFERED SECURITIES MAY WISH TO ASCERTAIN THAT THE NOMINEE HOLDING THE OFFERED SECURITIES FOR THEIR BENEFIT HAS AGREED TO OBTAIN AND TRANSMIT NOTICES TO BENEFICIAL OWNERS. IN THE ALTERNATIVE, BENEFICIAL OWNERS MAY WISH TO PROVIDE THEIR NAMES AND ADDRESSES TO THE REGISTRAR AND REQUEST THAT COPIES OF NOTICES BE PROVIDED DIRECTLY TO THEM.

Redemption notices shall be sent to DTC. If less than all of the Offered Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Offered Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to FMPA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Offered Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Offered Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from FMPA or its agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or FMPA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of FMPA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Offered Securities purchased or tendered, through its Participant, to Tender Agent, and shall effect delivery of such Offered Securities by causing the Direct Participant to transfer the Participant's interest in the Offered Securities, on DTC's records, to Tender Agent. The requirement for physical delivery of Offered Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Offered Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Offered Securities to Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Offered Securities at any time by giving reasonable notice to FMPA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Offered Security certificates are required to be printed and delivered.

FMPA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Offered Security certificates will be printed and delivered to DTC.

NEITHER FMPA NOR THE TRUSTEE NOR THE UNDERWRITER (OTHER THAN IN ITS CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND THE PERSONS FOR WHOM THEY ACT RELATING TO THE MAKING OF ANY DEMAND BY CEDE & CO. AS THE REGISTERED OWNER OF OFFERED SECURITIES, THE ADHERENCE TO SUCH PROCEDURES OR ARRANGEMENTS OR THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO SUCH PROCEDURES OR ARRANGEMENTS.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT FMPA BELIEVES TO BE RELIABLE, BUT FMPA TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER FMPA NOR THE TRUSTEE WILL HAVE

ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, INTEREST OR PURCHASE PRICE ON OFFERED SECURITIES; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF OFFERED SECURITIES; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF OFFERED SECURITIES; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF OFFERED SECURITIES.

So long as Cede & Co. is the registered owner of Offered Securities, as nominee for DTC, references in this Official Statement to the Bondholders, Holders or registered owners of Offered Securities (other than under the caption "TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of Offered Securities.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by FMPA or the Trustee to DTC only.

As long as the book-entry system is used for Offered Securities, the Trustee and FMPA will give any notices required to be given to Owners of Offered Securities only to DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant, or of any Direct Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the action premised on such notice. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners may desire to make arrangements with a Direct Participant or Indirect Participant so that all notices of redemption or other communications to DTC which affect such Beneficial Owners will be forwarded in writing by such Direct Participant or Indirect Participant.

NEITHER FMPA NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS OF OFFERED SECURITIES.

For every transfer and exchange of a beneficial ownership interest in Offered Securities, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to Offered Securities at any time by giving reasonable notice to FMPA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Offered Securities are required to be printed and delivered.

FMPA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Offered Securities will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FMPA believes to be reliable, but FMPA takes no responsibility for the accuracy thereof.

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APPENDIX G

CONTINUING DISCLOSURE UNDER SEC RULE 15C2-12

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), FMPA and the Trustee will enter into a written agreement for the benefit of the holders of the Offered Securities (the "Disclosure Agreement") to provide continuing disclosure. FMPA will undertake in the Disclosure Agreement to provide to the Municipal Securities Rulemaking Board ("MSRB") in electronic format through the Electronic Municipal Market Access website of the MSRB ("EMMA"), currently located at https://emma.msrb.org, on an annual basis by no later than nine months after the end of each fiscal year of FMPA commencing with the fiscal year ended September 30, 2017 certain financial information and operating data, referred to herein as "Annual Financial Information," including, but not limited to annual financial statements of FMPA. In addition, FMPA will undertake in the Disclosure Agreement, for the benefit of the holders of the Offered Securities, to provide to the MSRB, in a timely manner (not in excess of ten (10) Business Days after the occurrence of the event), the notices required to be provided by Rule 15c2-12 and described below.

The required Annual Financial Information shall consist of (1) the annual agency financial information consisting of (A) financial and operating data relating to the Agency's All-Requirements Power Supply Project consisting of: (i) a description of the Agency's All-Requirements Power Supply Project; (ii) information of the type included in the table captioned "Historical and Projected Future Capacity Requirements and Resources" under the heading "THE PROJECT" for the three most recently completed fiscal years; (iii) historical operating results for the All-Requirements Power Supply Project for the three most recently completed fiscal years, including net sales to Participants and net power costs; and (iv) information concerning the Agency's debt service requirements for the All-Requirements Power Supply Project; (B) a presentation of the Agency's financial results in accordance with GAAP for the two most recent completed fiscal years for which that information is then currently available; (C) material litigation related to any of the foregoing; together with (D) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Agency (collectively, the "Annual Agency Financial Information"); and (2) the annual Major Participant financial information consisting of (A) financial and operating data consisting of: (i) the information of the type contained herein in Appendix B — "THE MAJOR PARTICIPANTS", after fiscal year ending September 30, 2016, other than the information contained under the heading "General"; (ii) information concerning sales of electric services, customers, and non-coincident peak demand; and (iii) a presentation of the Major Participants' information concerning historical net energy requirements and peak demand; (B) material litigation related to any of the foregoing; together with (C) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Major Participants (collectively, the "Annual Major Participant Financial Information"). For the purpose of determining which Participants constitute "Major Participants," any Participant which as of September 30 in any year accounts for 10% or more of the Revenues for the All-Requirements Power Supply Project for the preceding fiscal year will be deemed a Major Participant.

The type of historical financial information and operating data relating to FMPA described above is currently included herein under the headings "DEBT SERVICE REQUIREMENTS," "THE PROJECT" and "LITIGATION." The type of financial information and operating data relating to the Major Participants described above is currently included herein under the headings "THE PROJECT PARTICIPANTS", APPENDIX A — "MEMBERS' PARTICIPATION IN FMPA PROJECTS" and APPENDIX B — "THE MAJOR PARTICIPANTS." The requirements contained in the undertaking discussed above are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where information required to be disclosed can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

All or any portion of the Annual Financial Information, as well as the audited financial statements, may be incorporated therein by cross reference to any other documents which have been filed with (i) the MSRB through its EMMA system or (ii) the Securities and Exchange Commission; provided, however, that if the document is an

official statement, it shall have been filed with the MSRB and need not have been filed elsewhere. Annual Financial Information for any fiscal year containing any modified operating data or financial information for each such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to the MSRB through its EMMA system.

Pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, FMPA will undertake for the benefit of Holders of the Offered Securities to provide or cause to be provided either directly or through the Trustee, Audited Financial Statements of the Agency and the Major Participants by no later than nine months after the end of each fiscal year commencing with the fiscal year ending September 30, 2017, when and if such audited financial statements become available and, if such audited financial statements are not available on the date which is nine months after the end of a fiscal year, the unaudited financial statements of FMPA and Major Participants for such fiscal year. The Audited Agency Financial Statements and the Audited Major Participant Financial Statements will be filed with the MSRB through its EMMA system.

FMPA will undertake, for the benefit of Holders of the Offered Securities, to provide or cause to be provided either directly or through the Trustee, notice to EMMA of any of the following events (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the Offered Securities or other material events affecting the tax status of the Offered Securities; (7) modifications to the rights of Holders of the Offered Securities, if material; (8) bond calls, if material; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Offered Securities, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of FMPA or a Major Participant; (14) consummation of a merger, consolidation or acquisition involving FMPA, the sale of all or substantially all of FMPA's assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (15) appointment of a successor or additional trustee, or the change of name of a trustee, if material and (16) failure to provide annual financial information as required.

FMPA will request, obtain and provide, pursuant to the Power Supply Contracts or otherwise, Annual Major Participant Financial Information, Audited Major Participant Financial Statements, and information relating to any change in fiscal year and the basis on which audited financial statements are prepared, from time to time and in sufficient time to permit FMPA to comply with the provisions of the undertaking, and shall enforce such provisions of the undertaking; the failure of any Major Participant to furnish any such requested information or data shall not excuse the performance by FMPA of any of its obligations under the undertaking. Under the Power Supply Contracts, the Participants are required to furnish to FMPA, upon request, all information, financial statements and other documents as shall be reasonably necessary in connection with the financing of the All-Requirements Power Supply Project.

If FMPA fails to comply with any provision of its undertaking described herein, then the Trustee or any Holder of the Offered Securities (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Offered Securities) may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against FMPA and any of its officers, agents and employees, and may compel FMPA or any such officers, agents or employees to perform and carry out their duties thereunder; *provided* that the sole and exclusive remedy for breach or default under the undertaking is an action to compel specific performance, and no person, including any Holder of Offered Securities, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought

only by the Trustee or the Holders of 25% in aggregate principal amount of the Offered Securities at the time outstanding which are affected thereby. Failure to comply with any provisions of the undertaking shall not constitute a default under the Resolution nor give right to the Trustee or any Holder to exercise any of the remedies under the Resolution.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where FMPA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. FMPA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Offered Securities have been paid in full or legally defeased pursuant to the Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of FMPA.

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FLORIDA MUNICIPAL POWER AGENCY • All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A and Series 2017B (Federally Taxable)

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