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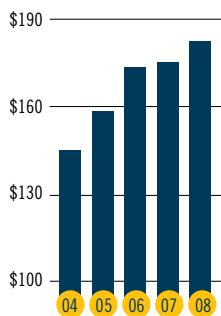


QUARTER REPORT 2008 MEAG POWER

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YEAR-TO-DATE REVENUES

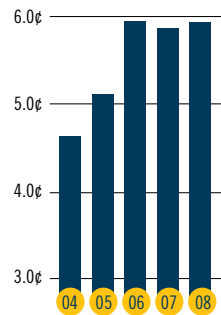
Through March 31: (in millions)



Total revenues through March 31 increased 4.3% from 2007 to 2008 due to a \$7.4 million increase in other revenues primarily related to the price aspect of off-system energy sales.

COST TO PARTICIPANTS

Through March 31: (cents per kWh)



Total power cost to the Participants was 5.91 cents per kWh during the first three months of 2008, compared to 5.86 cents per kWh for the same period in 2007, with the increase due primarily to an increase in SEPA charges.

FIRST THREE MONTHS' PERFORMANCE

Revenue and Cost Analysis

Revenues: Through March 31, 2008, total revenues were \$182.5 million, a 4.3% increase from \$175.0 million for the same period of 2007. The higher revenues were due primarily to a \$7.4 million increase in other revenues related mainly to the price aspect of off-system energy sales.

Operating Expenses: For the three months ended March 31, 2008, operating expenses increased 2.7% to \$119.8 million compared to \$116.7 million for the same period in 2007. Coal cost increased \$3.2 million primarily attributable to higher consumption of coal, due to fewer days of planned maintenance, and an increase in coal prices. This was partially offset by a \$2.4 million decrease in natural gas expense due mainly to an increase in the value of gas hedges, as well as decreased consumption of natural gas. Nuclear fuel, transmission and depreciation/amortization expenses increased \$0.7 million each. Other operating expenses increased \$1.0 million.

Interest Expense, Net: As of March 31, 2008, net interest expense, which includes stated interest expense and other related components such as amortization of debt discount and expense, interest income, net change in the fair value of financial instruments, and interest capitalized, totaled \$39.8 million. This 13.7% increase, from the total of \$35.0 million for the same period in 2007, was due primarily to a \$4.8 million decrease in interest income due to lower interest rates and lower average invested balances, as well as a \$4.7 million decrease in the fair value of financial instruments mainly pertaining to the value of decommissioning investments and outstanding swap agreements. These factors were partially offset by a \$5.2 million decrease in interest expense due to lower amounts of debt outstanding and lower interest rates.

Financial

The weighted average interest rate of MEAG Power's debt was 4.59% and 4.75% for the three months ended March 31, 2008 and 2007, respectively, with the decrease primarily due to lower interest rates on variable rate bonds. The weighted average interest rates exclude the impact of receipts and payments pertaining to interest rate swap agreements, as well as other related net interest expense components listed above.

MEAG Power's investment portfolio included \$1.3 billion and \$1.2 billion in other non-current assets, as well as \$485.4 million and \$658.1 million in current assets, as of March 31, 2008 and 2007, respectively.

Operations

During the first three months of 2008, energy delivered to MEAG Power Participants increased 1.7% from the same period in 2007 due to weather and economic growth.

Total power cost to the Participants, including energy purchased from the Southeastern Power Administration (SEPA), increased to 5.91 cents/kWh for the first three months of 2008 compared to 5.86 cents/kWh for the same period in 2007, due primarily to an increase in SEPA charges.

Comparing the First Quarter 2008 to the first three months of 2007, the nuclear and coal units' capacity factors increased to 82.1% and 80.6% from 78.0% and 77.1%, respectively, due to less planned outage time. The Wansley Combined Cycle Facility's equivalent availability and starting reliability factors for the First Quarter 2008 were 99.8% and 100.0%, respectively, comparable to the same period in 2007.

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

March 31, 2008

March 31, 2007

(in thousands)	Project One	General Resolution Projects	Combined Cycle Project	Trust Funds	Eliminations	Total Electric Projects	Telecom and Business Units	Total	Total
ASSETS									
Property, plant and equipment - net	\$1,437,179	\$452,017	\$280,912	\$ -	\$ -	\$2,170,108	\$13,114	\$2,183,222	\$2,136,212
Other non-current assets	431,227	190,282	56,408	816,336	(191,922)	1,302,331	-	1,302,331	1,244,121
Current assets	296,450	104,121	47,141	197,300	1,252	646,264	4,319	650,583	804,857
Deferred debits	665,040	178,637	15,248	(525,668)	-	333,257	8,968	342,225	466,925
TOTAL ASSETS	\$2,829,896	\$925,057	\$399,709	\$ 487,968	\$(190,670)	\$4,451,960	\$26,401	\$4,478,361	\$4,652,115
LIABILITIES									
Long-term debt	\$2,085,144	\$802,616	\$369,472	\$ -	\$(191,922)	\$3,065,310	\$20,200	\$3,085,510	\$3,426,214
Lease finance obligation	-	-	-	289,582	-	289,582	-	289,582	277,063
Other non-current liabilities	306,916	49,808	-	1,087	-	357,811	1,759	359,570	331,323
Current portion of long-term debt	147,793	44,044	16,440	-	-	208,277	2,405	210,682	163,501
Flexible trust funds held for Participants	-	-	-	133,342	-	133,342	-	133,342	120,731
Other current liabilities	290,043	28,589	13,797	63,957	1,252	397,638	2,037	399,675	333,283
TOTAL LIABILITIES	\$2,829,896	\$925,057	\$399,709	\$ 487,968	\$(190,670)	\$4,451,960	\$26,401	\$4,478,361	\$4,652,115

CONDENSED CONSOLIDATED STATEMENT OF NET REVENUES (UNAUDITED)

Three months ended March 31, 2008

Three months ended March 31, 2007

(in thousands)	Project One	General Resolution Projects	Combined Cycle Project	Trust Funds	Eliminations	Total Electric Projects	Telecom and Business Units	Total	Total
Revenues:									
Participant ⁽¹⁾	\$ 88,263	\$39,492	\$12,843	\$ -	\$ -	\$140,598	\$1,966	\$142,564	\$142,522
Other	25,253	11,631	3,453	-	(493)	39,844	50	39,894	32,466
Total revenues	113,516	51,123	16,296	-	(493)	180,442	2,016	182,458	174,988
Operating expenses	77,329	34,343	7,183	47	(493)	118,409	1,412	119,821	116,726
Net operating revenues (loss)	36,187	16,780	9,113	(47)	-	62,033	604	62,637	58,262
Net interest expense (income)	37,211	10,508	3,939	(13,039)	-	38,619	1,201	39,820	35,012
Decrease (increase) in net costs to be recovered									
from future billings to Participants	(1,024)	6,272	5,174	12,992	-	23,414	(597)	22,817	23,250
Total other expenses (income), net	36,187	16,780	9,113	(47)	-	62,033	604	62,637	58,262
NET REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Net of over-recovery of \$4.0 million and \$2.7 million for the three months ended March 31, 2008 and 2007, respectively. These amounts are included in other current liabilities and may not be indicative of future results. The final 2007 over-recovery is available to all the Participants and has been substantially distributed.

These condensed consolidated financial statements, which include the accounts of the Power Revenue Bond Resolution (Project One), the General Power Revenue Bond Resolution (General Resolution Projects), the Combined Cycle Project Bond Resolution (Combined Cycle Project), the Municipal Competitive Trust and the Deferred Lease Financing Trust (Trust Funds), (collectively, the Electric Projects), the Telecommunications Project (Telecom), as well as the Distribution Services and the Marketing Services Business Units (Business Units), should be read in conjunction with MEAG Power's 2007 audited financial statements.

BUSINESS DESCRIPTION

The Municipal Electric Authority of Georgia (MEAG Power) exists for one primary reason: to generate and transmit reliable and economical wholesale electric power to our 49 Participants. We have addressed this requirement successfully in our more than three decades of service since being chartered by the Georgia General Assembly as a public power corporation. We provide power through our co-ownership of two nuclear and two coal-fired generating plants, sole ownership of a combined cycle facility, as well as ownership of over 1,300 miles of high voltage transmission lines and nearly 200 substations. MEAG Power also monitors and advocates on energy issues at the state and federal levels on behalf of our Participants. In addition, through separate business units, MEAG Power offers our Participants technical support, training, pricing strategies, joint purchasing, energy services, meter testing and economic development assistance.

MEAG Power is among the country's leading joint action agencies, with one of the most diversified fuel portfolios in the Southeast. We were also one of the first public power organizations to extend our power sales contracts, thus providing for the continued operation and financing of our generation and transmission assets in the most efficient manner.

As a public power enterprise, MEAG Power was created to serve our Participants. It is for their benefit, not shareholders', that we exist; it is their decisions at the local level that drive our long-term operations; and it is by combining their voices into one that we help protect their interests as energy policies and legislation are discussed and enacted.