



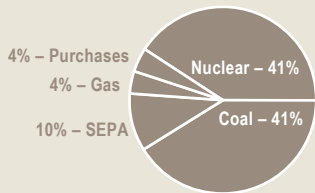
2010

First Quarter Report

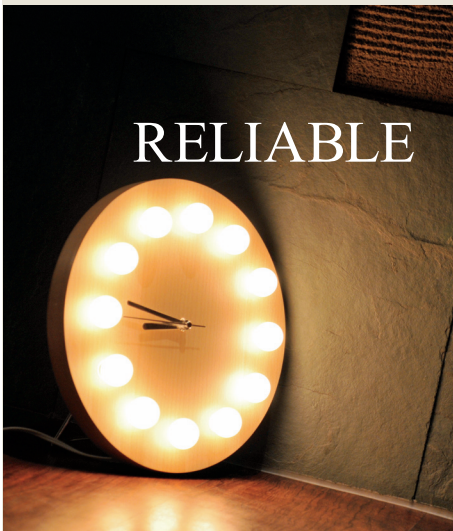
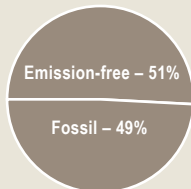
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Delivered Energy by Source
through March 31, 2010



Mix of Delivered Energy
through March 31, 2010



Financial Condition Overview as of March 31, 2010

The primary factor pertaining to increases in MEAG Power's assets and liabilities as of March 31, 2010 was debt issuances to finance a portion of MEAG Power's share of the acquisition and construction costs of the Vogtle Units 3&4 Projects (see below). During April and May 2009 and March 2010, MEAG Power issued bond anticipation notes, Build America Bonds and tax-exempt bonds (together, the Vogtle Financings), which totaled \$2.7 billion outstanding as of March 31, 2010. The proceeds of the Vogtle Financings were the main factor in increases in other non-current assets and long-term debt (including the current portion), as of March 31, 2010. Property, plant and equipment increased primarily due to equipment procurement and site excavation work at Vogtle Units 3&4.

MEAG Power is a co-owner in the development of two additional nuclear generating units at Plant Vogtle (Vogtle Units 3&4). MEAG Power's ownership interest in Vogtle Units 3&4, along with two buyers of portions of the output and services for the initial 20 years of commercial operation of each of Vogtle Units 3&4, is referred to as the Vogtle Units 3&4 Projects. For additional information about the Vogtle Units 3&4 Projects, see Notes 1 (D), 5 and 10 to MEAG Power's 2009 audited financial statements.

First Three Months' Performance

Revenue and Cost Analysis

Revenues: Through March 31, 2010, total revenues were \$179.3 million, a 13.5% increase from \$157.9 million for the same period of 2009. Participant revenue increased \$17.3 million due primarily to an increase in Participant billings for operating expenses related to fuel and plant maintenance. For the three months ended March 31, 2010, energy delivered to the Participants increased 10.3% from the same period in 2009 due primarily to a 35% increase in heating degree hours from winter weather that was colder than normal, which also contributed to the increase in Participant revenue.

Other revenues increased \$4.1 million through March 31, 2010 in relation to the same period in 2009 due primarily to an increase of \$2.5 million in off-system energy sales related to both volume and price, due in part to the colder weather conditions mentioned previously. Capacity and energy sales pertaining to a long-term sales agreement also increased \$1.8 million.

Operating Expenses: For the three months ended March 31, 2010, operating expenses increased 12.9% to \$130.8 million compared to \$115.9 million for the same period in 2009. An increase of \$9.6 million in fuel expense was primarily due to a 36% increase in coal consumption, as well as a slight increase in the price of coal. Higher generation from the coal plants resulted from reduced days of maintenance outages and higher utilization of coal resources due to more favorable economic dispatch conditions than during the same period in 2009. Other generating expenses increased \$7.9 million due primarily to planned major maintenance at the nuclear plants.

Interest Expense, Net: As of March 31, 2010, 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 \$33.2 million. This 27.5% decrease, from the total of \$45.8 million for the same period in 2009, was due primarily to an increase in the fair value of financial instruments. The fair value of financial instruments increased \$10.3 million due mainly to an increase in the value of decommissioning investments, which was partially offset by a decrease in the value of certain interest rate swaps. While stated interest expense increased \$11.7 million primarily due to the Vogtle Financings discussed above, this increase was offset by an additional \$10.3 million in interest capitalized and a \$3.2 million interest rebate accrual from the U.S. Treasury on the Build America Bonds, both of which also pertained to the Vogtle Financings.

The weighted average interest rate of MEAG Power's debt was 4.14% and 4.15% for the three months ended March 31, 2010 and 2009, respectively, with the slight decrease due to lower rates on variable-rate debt. These factors were partially offset by higher rates on new fixed-rate bond issuances. The weighted average interest rate for both periods excludes the impact of receipts and payments pertaining to interest rate swap agreements, as well as other related net interest expense components listed above. For the three months ended March 31, 2010, the rate includes the interest rebate accrual discussed previously.

Operations

During the first three months of 2010, energy delivered to MEAG Power Participants increased 10.3% from the same period in 2009 due primarily to the colder winter weather mentioned previously. Total power cost to the Participants, including energy purchased from the Southeastern Power Administration (SEPA), was 5.62 cents/kilowatt-hour (kWh) for the first three months of 2010 compared to 5.54 cents/kWh for the same period in 2009. The increase was due to higher operating expenses, primarily related to fuel and maintenance, as discussed previously.

Summary of Selected Financial and Operating Data

(Dollars in thousands)

	Three months ended or as of March 31,		
	2010	2009	2008
Total revenues	\$ 179,254	\$ 157,878	\$ 182,458
Total assets	\$7,174,939	\$4,446,440	\$4,478,361
Weighted average interest cost	4.14%	4.15%	4.59%
Total cost to MEAG Power Participants (cents per kWh)	5.62	5.54	5.91
Peak demand (MW)	1,837	1,799	1,724

Condensed Consolidated Balance Sheet (Unaudited)

(In thousands)	March 31, 2010								March 31, 2009
	Project One	General Resolution Projects	Combined Cycle Project	Vogle Units 3&4 Projects	Trust Funds	Telecom Project	Eliminations	Total	Total
ASSETS									
Property, plant and equipment – net	\$1,533,783	\$533,544	\$272,976	\$ 395,577	\$ –	\$10,942	\$ –	\$2,746,822	\$2,291,198
Other non-current assets	531,534	174,069	43,538	2,377,145	806,118	1,288	(225,138)	3,708,554	1,267,821
Current assets	243,061	87,667	32,378	8,334	167,100	1,545	(10,168)	529,917	583,078
Deferred debits	507,623	111,738	11,937	20,692	(458,122)	(4,222)	–	189,646	304,343
TOTAL ASSETS	\$2,816,001	\$907,018	\$360,829	\$2,801,748	\$ 515,096	\$ 9,553	\$(235,306)	\$7,174,939	\$4,446,440
LIABILITIES									
Long-term debt	\$2,318,981	\$792,420	\$331,938	\$2,673,646	\$ –	\$ 6,315	\$(224,008)	\$5,899,292	\$3,280,234
Lease finance obligation	–	–	–	–	316,341	–	–	316,341	302,666
Other non-current liabilities	259,846	36,708	–	–	27,736	457	–	324,747	395,826
Current portion of long-term debt	133,804	52,988	16,575	64,995	–	1,130	(1,130)	268,362	177,848
Flexible trust funds held for Participants	–	–	–	–	164,903	–	–	164,903	136,208
Other current liabilities	103,370	24,902	12,316	63,107	6,116	1,651	(10,168)	201,294	153,658
TOTAL LIABILITIES	\$2,816,001	\$907,018	\$360,829	\$2,801,748	\$ 515,096	\$ 9,553	\$(235,306)	\$7,174,939	\$4,446,440

Condensed Consolidated Statement of Net Revenues (Unaudited)

(In thousands)	Three months ended March 31, 2010								Three months ended March 31, 2009
	Project One	General Resolution Projects	Combined Cycle Project	Vogle Units 3&4 Projects	Trust Funds	Telecom Project	Eliminations	Total	Total
Revenues:									
Participant ⁽¹⁾	\$86,486	\$44,548	\$11,024	\$ –	\$ –	\$ 406	\$ –	\$ 142,464	\$125,193
Other	23,336	9,871	3,559	–	–	24	–	36,790	32,685
Total revenues	109,822	54,419	14,583	–	–	430	–	179,254	157,878
Operating expenses	66,782	35,926	9,465	–	18,372	274	–	130,819	115,874
Net operating revenues (loss)	43,040	18,493	5,118	–	(18,372)	156	–	48,435	42,004
Net interest expense (income)	21,283	10,290	3,677	–	(2,152)	101	–	33,199	45,807
Decrease (increase) in net costs to be recovered from Participants	21,757	8,203	1,441	–	(16,220)	55	–	15,236	(3,803)
NET REVENUES	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

(1) Net of (under) over-recovery of \$(1.5) million and \$5.9 million for the three months ended March 31, 2010 and 2009, respectively.

These amounts are included in other current liabilities and may not be indicative of future results. The final 2009 over-recovery has been distributed to the Participants.

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 Vogle Units 3&4 Projects, the Municipal Competitive Trust and the Deferred Lease Financing Trust (Trust Funds), and the Telecommunications Project (Telecom), should be read in conjunction with MEAG Power's 2009 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 corporation in 1975. 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.

MEAG Power is one of the largest joint action agencies in the country, with one of the most diversified fuel portfolios in the Southeast. We were also one of the first public power organizations to extend the initial term of 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.