

2019 First Quarter Report

SUMMARY OF SELECTED FINANCIAL AND OPERATING DATA

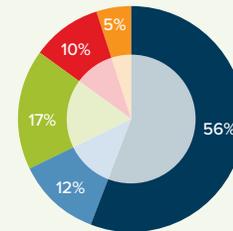
(Dollars in thousands)

Three months ended or as of March 31,	2019	2018	2017
Total revenues	\$ 149,192	\$ 159,635	\$ 148,488
Total assets and deferred outflows of resources	\$ 9,321,382	\$8,950,054	\$8,998,512
Weighted average interest cost ⁽¹⁾	4.28%	4.17%	4.05%
Total cost to MEAG Power Participants (cents per kWh) ⁽²⁾	7.74	6.81	7.44
Peak demand (MW)	1,721	1,859	1,671

⁽¹⁾ Excludes the impact of certain net non-operating expense components such as receipts and payments pertaining to interest rate swap agreements, amortization of debt discount and expense, investment income, the net change in the fair value of financial instruments and interest capitalized. The rate is net of subsidies on Build America Bonds.

⁽²⁾ For the three months ended March 31, 2018 and 2017, funds from the Municipal Competitive Trust were applied to lower the Participants' generation billings.

DELIVERED ENERGY BY SOURCE through March 31, 2019



● NUCLEAR
● HYDRO
● GAS
● NET PURCHASES
● COAL

**68% Clean/
Emissions-Free**
through
March 31, 2019



FIRST THREE MONTHS' PERFORMANCE

Revenue and Expense Analysis

Revenues: For the three months ended March 31, 2019 (YTD 2019), total revenues were \$149.2 million compared with \$159.6 million for the same period in 2018 (YTD 2018). Participant revenues decreased \$15.5 million, while other revenues increased \$5.1 million.

Participant revenues decreased due mainly to deferred inflows of resources related to the fair value of decommissioning funds (see "Non-operating (income) expense, net"), which was partially offset by an increase in Participant billings for certain operating expenses, mainly fuel, as discussed below. Fund transfers from the Municipal Competitive Trust applied to lower Participants' generation billings (Competitive Trust Funding) during YTD 2018 did not apply to YTD 2019 billings, resulting in a \$5.5 million increase in Participant revenues.

The increase in other revenues was primarily due to increases of \$3.3 million in Pseudo Scheduling and Services Agreement energy sales and \$1.8 million in off-system energy sales.

Operating expenses: YTD 2019 operating expenses increased 14.5% to \$151.4 million, compared with \$132.1 million for YTD 2018 primarily related to these components:

- Total fuel expense increased \$16.6 million due primarily to a \$17.6 million increase in natural gas expense, which was partially offset by a \$2.1 million decrease in nuclear fuel expense. Natural gas expense increased due to a significant reduction in margins on delivered gas sales primarily related to warmer winter weather in early 2019 (see "Operations"). A 47.4% increase in generation from the Combined Cycle Facility, due to a combination of reduced maintenance outage time and lower gas pricing, was also a factor. Nuclear fuel expense decreased due to a slight increase in refueling outages.
- Depreciation and amortization increased \$2.7 million primarily due to accretion of asset retirement obligations.
- A \$2.2 million decrease in purchased power expense was mainly attributable to weather factors.

Non-operating (income) expense, net: YTD 2019 net non-operating income, which includes interest expense and other related components such as amortization of debt discount and expense, investment income, net change in the fair value of financial instruments, interest capitalized and subsidy on Build America Bonds, totaled \$(8.2) million. This 124.9% increase from the total of \$32.9 million net non-operating expense during YTD 2018 was due primarily to changes in the following components:

- An increase of \$34.6 million in the fair value of financial instruments was mainly due to a rally in intermediate rates during YTD 2019, in comparison with YTD 2018, and a strong performance in equity securities held in the decommissioning trust account.
- Interest capitalized increased \$6.7 million due mainly to additional investments in Vogtle Units 3&4.
- An increase of \$3.1 million in investment income was also primarily due to the rally in intermediate rates during YTD 2019.
- Interest expense increased \$3.4 million due mainly to an increase in U.S. Department of Energy Guaranteed Loan advances.

The weighted average interest rate of MEAG Power's debt was 4.28% and 4.17% for YTD 2019 and YTD 2018, respectively, with the increase primarily due to higher variable rates during YTD 2019 related to 2018 Federal Reserve Bank rate hikes. This factor was partially offset by additional fixed-rate Federal Financing Bank financings and refinancing of certain higher-cost fixed-rate debt, as well as lower line of credit borrowings during YTD 2019.

Operations

During YTD 2019, energy delivered to MEAG Power Participants decreased 3.8% from YTD 2018 due mainly to warmer winter weather in early 2019 compared with 2018, resulting in an 8.8% decrease in heating degree hours during YTD 2019. Total power cost to the Participants, including hydro energy purchased from the Southeastern Power Administration (SEPA), was 7.74 cents/kilowatt-hour (kWh) for YTD 2019, compared with 6.81 cents/kWh for YTD 2018. The increase was primarily related to lower energy delivered and higher Participant billings for fuel, primarily attributable to the reduction in gas margins (see "Operating expenses"). The increase in Participant revenues resulting from the change in Competitive Trust Funding (see "Revenues") also increased YTD 2019 cents/kWh. These factors were partially offset by a reduction in SEPA charges.

Update Regarding Vogtle Units 3&4

As previously disclosed in MEAG Power's 2018 Annual Report and 2018 Annual Information Statement, MEAG Power is involved in litigation with JEA and the City of Jacksonville, Florida (the City) with respect to the Amended and Restated Power Purchase Agreement (the Project J PPA) between MEAG Power and JEA relating to MEAG Power's interest in Vogtle Units 3&4. The following updates the previously disclosed information. Capitalized terms used herein without definition have the respective meanings assigned thereto in the 2018 Annual Information Statement.

On May 21, 2019, MEAG Power filed its opening brief pertaining to a Notice of Appeal it filed on April 10, 2019 in the United States Court of Appeals for the Eleventh Circuit related to a federal judge's ruling on April 9, 2019 in the Georgia Action, dismissing MEAG Power's suit against JEA.

On July 12, 2019, the U.S. District Court – Florida issued an order denying both JEA's and the City's motions to remand the case to Florida state court. The Court noted that JEA participated in Georgia state court bond validation proceedings in which the Georgia courts determined that the Project J PPA is enforceable against both JEA and MEAG Power. Accordingly, the Court stated that in the view of the Court, the Georgia state court proceedings will play a "significant, if not controlling, role" in the case, such that the case is more appropriately heard in federal court rather than Florida state court.

The Court's July 12, 2019 order also granted MEAG Power's motion to transfer the case to the U.S. District Court – Georgia. The Court enforced the mandatory forum selection provision contained in the Project J PPA, and ruled that the case must be transferred to the U.S. District Court – Georgia. While the Court acknowledged that the City is not a party to the Project J PPA, it nonetheless held that the City is bound by the Project J PPA's mandatory forum selection provision due to its close relationship with JEA.

On July 14, 2019, JEA filed an emergency motion with the U.S. District Court – Florida to stay enforcement of the Court's July 12 transfer order for 10 days while JEA and the City evaluate their options in response to the transfer order. On July 16, 2019, the U.S. District Court – Florida denied this motion and transferred the case to the U.S. District Court – Georgia.

On July 17, 2019, the U.S. District Court – Georgia denied MEAG Power's motion to enjoin JEA from proceeding with the Florida Action until the Georgia Action, including the appeal, is fully resolved, after determining the motion was moot in light of a July 12, 2019 order in the Florida Action, which transferred the case to the U.S. District Court – Georgia, as discussed above.

For additional information, see MEAG Power's filings with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website between July 15, 2019 and the date of publication of MEAG Power's unaudited financial statements for its quarter ended June 30, 2019.

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

(In thousands)	March 31, 2019								March 31, 2018 ⁽¹⁾
	Project One	General Resolution Projects	Combined Cycle Project	Vogle Units 3&4 Projects and Project Entities	Municipal Competitive Trust	Telecom Project	Eliminations	Total	Total
Assets and Deferred Outflows of Resources									
Property, plant and equipment, net	\$1,832,015	\$ 688,336	\$ 191,164	\$ 3,191,724	\$ –	\$4,230	\$ –	\$5,907,469	\$5,087,364
Other non-current assets	605,284	164,682	40,976	1,452,377	343,940	–	(189,345)	2,417,914	2,713,911
Current assets	247,609	104,290	47,768	96,994	262,464	551	(21,226)	738,450	908,933
Deferred outflows of resources	174,569	77,981	4,146	853	–	–	–	257,549	239,846
Total Assets and Deferred Outflows of Resources	\$2,859,477	\$1,035,289	\$284,054	\$ 4,741,948	\$606,404	\$4,781	\$ (210,571)	\$9,321,382	\$8,950,054
Liabilities and Deferred Inflows of Resources									
Long-term debt	\$1,653,862	\$ 427,600	\$ 150,024	\$4,483,989	\$ –	\$ –	\$(189,345)	\$6,526,130	\$6,349,376
Non-current liabilities	554,513	132,753	431	(1,161)	241,229	–	–	927,765	839,794
Current liabilities	222,426	106,199	30,554	258,623	365,175	131	(21,226)	961,882	1,031,201
Deferred inflows of resources	428,676	368,737	103,045	497	–	4,650	–	905,605	729,683
Total Liabilities and Deferred Inflows of Resources	\$2,859,477	\$1,035,289	\$284,054	\$ 4,741,948	\$606,404	\$4,781	\$ (210,571)	\$9,321,382	\$8,950,054

CONDENSED CONSOLIDATED STATEMENT OF NET REVENUES (UNAUDITED)

(In thousands)	Three months ended March 31, 2019								Three months ended March 31, 2018
	Project One	General Resolution Projects	Combined Cycle Project	Vogle Units 3&4 Projects and Project Entities	Municipal Competitive Trust	Telecom Project	Eliminations	Total	Total
Revenues:									
Participant ⁽²⁾	\$74,263	\$22,348	\$17,350	\$2,419	\$ –	\$232	\$ –	\$116,612	\$132,118
Other	13,353	12,444	2,970	3,788	–	25	–	32,580	27,517
Total revenues	87,616	34,792	20,320	6,207	–	257	–	149,192	159,635
Operating expenses	98,141	33,951	19,003	–	11	259	–	151,365	132,148
Net operating (loss) revenues	(10,525)	841	1,317	6,207	(11)	(2)	–	(2,173)	27,487
Non-operating (income) expense, net	(10,525)	841	1,317	191	(20)	(2)	–	(8,198)	32,948
Change in net costs to be recovered from Participants or Competitive Trust obligations	–	–	–	6,016	9	–	–	6,025	(5,461)
Net Revenues	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

⁽¹⁾ Certain prior year amounts have been reclassified to conform to the current year presentation with no impact on net revenues.

⁽²⁾ Net of (under) over-recovery of \$(2.2) million and \$4.5 million for the three months ended March 31, 2019 and 2018, respectively. These amounts are included in current liabilities and may not be indicative of future results.

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 and Project Entities, the Municipal Competitive Trust and the Telecommunications Project (Telecom Project), should be read in conjunction with MEAG Power's 2018 audited financial statements.

THE MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA

MEAG Power is a nonprofit entity that was created by the Georgia General Assembly in 1975 to generate and transmit reliable, competitively priced wholesale electric power to 49 Participant communities throughout the state. These communities have access to MEAG Power's multibillion-dollar resources, including some of the lowest-cost, emissions-free energy in the region, as well as one of the most diversified fuel portfolios. MEAG Power operates in one of the largest and fastest-growing regions in the United States because of Georgia's attractive logistics, pro-business environment and talented workforce.