2018 THIRD QUARTER REPORT

MEAG POWER | 1470 RIVEREDGE PARKWAY, NW | ATLANTA, GEORGIA 30328-4640 | 1-800-333-MEAG | www.meagpower.org

Summary of Selected Financial and Operating Data

(Dollars in thousands)

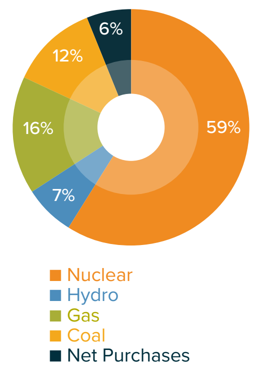
Nine months ended or as of September 30,	2018	2017	2016
Total revenues	**$ 490,292**	$ 466,573	$ 505,987
Total assets and deferred outflows of resources	**$ 8,910,086**	$ 9,017,709	$ 9,178,971
Weighted average interest cost[1]	**4.11%**	4.09%	4.12%
Total cost to MEAG Power Participants (cents per kWh)[2]	**6.59**	6.63	6.55
Peak demand (MW)	**1,904**	1,884	1,923

[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] Funds from the Municipal Competitive Trust were applied to lower the Participants' generation billings.

Delivered Energy by Source

through September 30, 2018



66% Clean/Emissions-Free through September 30, 2018

NINE MONTHS' PERFORMANCE

Revenue and Expense Analysis

Revenues: For the nine months ended September 30, 2018 (YTD 2018), total revenues were $490.3 million compared with revenues of $466.6 million for the same period of 2017 (YTD 2017). Participant revenues increased $25.8 million, while other revenues decreased $2.1 million.

The increase in Participant revenues was due primarily to a planned reduction of $17.1 million in fund transfers from the Municipal Competitive Trust (Competitive Trust Funding), as well as deferred inflows of resources related to normal timing differences between amounts billed and expenses determined in accordance with accounting principles generally accepted in the United States. These factors were partially offset by a reduction in Participant billings for fuel, as discussed below.

The decrease in other revenues was primarily due to an $8.2 million decrease in off-system energy revenues, mainly related to volume reduction in energy sales during major maintenance at the Combined Cycle facility (Wansley Unit 9) (see "Operating expenses"). This was partially offset by an increase of $4.9 million in new power purchase agreements and $2.1 million in debt service billings pertaining to the Vogtle Units 3&4 Power Purchase Agreements.

Operating expenses: YTD 2018 operating expenses decreased 0.8% to $433.8 million, compared with $437.3 million for YTD 2017 primarily due to these components:

- Total fuel expense decreased $22.4 million due mainly to margins on delivered natural gas sales to third parties using MEAG Power's gas transportation capacity during unusually cold weather in early 2018 (see "Operations"), as well a 22.4% decrease in generation from Wansley Unit 9 primarily due to the scheduled major maintenance.
- A $9.3 million increase in purchased power expense was primarily related to the major maintenance and weather factors.
- Other generation and operating expense increased $8.0 million mostly due to the same factors. Scheduled major maintenance increased $11.3 million, which was partially offset by a reduction in nuclear refueling outages. A $4.1 million increase in Pseudo Scheduling and Services Agreement energy purchases was due to increased utilization of coal generating units related to weather.

Non-operating expense (income), net: Net non-operating expense, 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 $64.3 million for YTD 2018. This 19.9% decrease from the total of $80.3 million for YTD 2017 was due primarily to changes in these components of net non-operating expense:

- Investment income increased $9.4 million due mainly to short-term interest rates trending higher as result of multiple Federal Reserve Bank (Fed) rate hikes in recent months.
- A decrease of $12.4 million in the fair value of financial instruments was due to capital expenditures and operating draws during the period, as well as the Fed rate hikes and other Fed policy announcements. The Fed actions had a negative impact on certain fixed income assets held.
- Interest capitalized increased $18.6 million due primarily to additional investment in Vogtle Units 3&4.

The weighted average interest rate of MEAG Power's debt was 4.11% and 4.09% for YTD 2018 and YTD 2017, respectively, with the slight increase primarily attributable to increases in the quarterly rate applied to U.S. Department of Energy Guaranteed Loan advances by the Federal Financing Bank, as well as higher variable rates related to the Fed rate hikes.

Operations

Energy delivered to MEAG Power Participants during YTD 2018 increased 4.4% from YTD 2017 due mainly to weather factors. A colder winter and warmer summer weather extending into September increased heating and cooling degree hours, respectively, compared with the same seasons in 2017. Total power cost to the Participants, including hydro energy purchased from the Southeastern Power Administration, was 6.59 cents/kilowatt-hour (kWh) for YTD 2018, compared with 6.63 cents/kWh for YTD 2017. The decrease was mainly related to higher energy delivered, which was partially offset by the reduction in Competitive Trust Funding.

Update Regarding Vogtle Units 3&4

During the latter part of the second quarter through the early part of the third quarter of 2018, Georgia Power Company (GPC) advised the other Vogtle Co-Owners that it became aware that the estimated future Vogtle Units 3&4 costs were projected to exceed the corresponding budgeted amounts included in GPC's seventeenth Vogtle Construction Monitoring (VCM) report (VCM 17 Report) (which, for Vogtle Units 3&4 in their entirety, corresponded to $15.0 billion, exclusive of financing costs, of which the aggregate shares of the Vogtle Units 3&4 Project Entities was $3.4 billion). Upon discovery of these variances, the Vogtle Co-Owners requested Southern Nuclear perform a full cost analysis and reforecast of the cost to complete Vogtle Units 3&4 and engaged an international consulting firm to independently assess this analysis and reforecast, and existing project controls for identifying budget variances. Following this analysis, GPC proposed an increased construction budget and included a revised estimate to complete in its nineteenth VCM report (VCM 19 Report) filed with the Georgia Public Service Commission (GPSC) in August 2018. This revised project budget included a $2.4 billion increase (of which the aggregate 22.7% shares of the Vogtle Units 3&4 Project Entities is $556 million), including a project-level contingency in an amount of $800 million (of which the aggregate 22.7% shares of the Vogtle Units 3&4 Entities is $182 million) as compared to the VCM 17 Report. GPC, as agent, has reported that the increase in the revised budget is primarily attributable to primary construction contractor and subcontractor construction costs, including

Update Regarding Vogtle Units 3&4 (CONTINUED)

craft labor incentives, as well as expenses for project management, oversight and support. The scheduled in-service dates of November 2021 and November 2022 for Vogtle Units 3&4, respectively, did not change in connection with these budget revisions.

MEAG Power expects that, based on these estimated in-service dates, the Vogtle Units 3&4 Project Entities' estimated in-service cost will be approximately $6.5 billion, including construction costs, financing costs through the estimated in-service dates, contingencies, initial fuel load costs, and switchyard and transmission costs. Additional financing needs relating to reserve funds and other fund deposits required under MEAG Power's and the Vogtle Units 3&4 Project Entities' financing documents result in total financing needs of approximately $7.0 billion, which will require approximately $2.5 billion of additional funding.

In a filing with the GPSC supporting the VCM 19 Report, GPC reported that, as of August 2018, overall construction on Vogtle Units 3&4 was more than 55% complete and that the total project (which includes engineering, procurement, construction and other project phases) was over 70% complete. As construction continues, challenges with management of contractors, subcontractors and vendors; labor productivity, availability and/or cost escalation; procurement, fabrication, delivery, assembly and/or installation, including any required engineering changes of plant systems, structures and components (some of which are based on new technology that only recently began initial operation in the global nuclear industry at the scale of Vogtle Units 3&4); or other issues could arise and change the projected schedule and estimated cost.

The ultimate outcome of these matters cannot be determined at this time.

For additional information, see MEAG Power's filings with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website dated subsequent to September 30, 2018, as well as any additional EMMA filings through the date of publication of MEAG Power's audited financial statements for its fiscal year ending December 31, 2018.

Ratings and Outlook

The unenhanced ratings and outlook assigned to MEAG Power's senior lien and subordinated debt obligations are as follows:

		Fitch Ratings		Moody's Investors Service		Standard & Poor's	
Project	Lien	Rating	Outlook	Rating	Outlook	Rating	Outlook
Project One	Senior	A-	Negative	A1	Stable	A	Negative
	Subordinated	BBB+	Negative	A2	Stable	A-	Negative
General Resolution Projects	Senior	A-	Negative	A1	Stable	A	Negative
	Subordinated	BBB+	Negative	A2	Stable	A-	Negative
Combined Cycle Project	Senior	BBB+	Negative	A1	Stable	A-	Negative
Vogtle Units 3&4 Projects:							
Project M	Senior	BBB+	Negative	A2	Stable	A	Negative
Project J	Senior	BBB+	RWN[1]	Baa3	Negative	A	Negative
Project P	Senior	BBB+	Negative	Baa2	Stable	BBB+	Negative

[1] Rating Watch Negative

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MEAG POWER

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

(In thousands)	September 30, 2018								Sept. 30, 2017
	Project One	General Resolution Projects	Combined Cycle Project	Vogtle 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	$ 1,929,229	$ 712,107	$ 195,619	$2,796,620	$ –	$4,590	$ –	**$5,638,165**	$ 5,717,097
Other non-current assets	601,066	146,790	42,826	3,220,980	346,111	–	(1,916,450)	**2,441,323**	2,356,484
Current assets	278,017	171,796	55,761	38,323	250,260	604	(34,654)	**760,107**	848,347
Deferred outflows of resources	62,932	1,586	5,798	175	–	–	–	**70,491**	95,781
Total Assets and Deferred Outflows of Resources	$ 2,871,244	$1,032,279	$300,004	$6,056,098	$596,371	$5,194	$(1,951,104)	**$8,910,086**	$ 9,017,709
Liabilities and Deferred Inflows of Resources									
Long-term debt	$ 1,694,459	$ 477,735	$ 171,940	$ 4,189,834	$ –	$ –	$ (207,750)	**$6,326,218**	$6,582,806
Non-current liabilities	548,163	83,515	(440)	1,706,221	212,337	–	(1,708,700)	**841,096**	829,693
Current liabilities	246,772	130,245	30,797	159,525	384,034	185	(34,654)	**916,904**	967,245
Deferred inflows of resources	381,850	340,784	97,707	518	–	5,009	–	**825,868**	637,965
Total Liabilities and Deferred Inflows of Resources	$2,871,244	$1,032,279	$300,004	$6,056,098	$596,371	$5,194	$(1,951,104)	**$8,910,086**	$9,017,709

CONDENSED CONSOLIDATED STATEMENT OF NET REVENUES (UNAUDITED)

(In thousands)	Nine months ended September 30, 2018								Nine months ended Sept. 30, 2017
	Project One	General Resolution Projects	Combined Cycle Project	Vogtle Units 3&4 Projects and Project Entities	Municipal Competitive Trust	Telecom Project	Eliminations	**Total**	Total
Revenues:									
Participant[1]	$250,650	$79,885	$54,048	$ 7,146	$ –	$616	$ –	**$392,345**	$366,523
Other	49,007	35,309	2,143	11,415	–	73	–	**97,947**	100,050
Total revenues	299,657	115,194	56,191	18,561	–	689	–	**490,292**	466,573
Operating expenses	263,213	103,328	51,342	–	15,223	694	–	**433,800**	437,339
Net operating revenues (loss)	36,444	11,866	4,849	18,561	(15,223)	(5)	–	**56,492**	29,234
Non-operating expense (income), net	36,444	11,866	4,849	11,366	(214)	(5)	–	**64,306**	80,314
Change in net costs to be recovered from Participants or Competitive Trust obligations	–	–	–	7,195	(15,009)	–	–	**(7,814)**	(51,080)
Net Revenues	$ –	$ –	$ –	$ –	$ –	$ –	$ –	**$ –**	$ –

[1] Net of over-recovery of $24.2 million and $34.8 million for the nine months ended September 30, 2018 and 2017, 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 Vogtle 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 2017 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.