2019 Second Quarter Report

SUMMARY OF SELECTED FINANCIAL AND OPERATING DATA

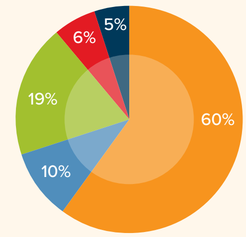
(Dollars in thousands) Six months ended or as of June 30,	2019	2018	2017
Total revenues	**$ 309,610**	$ 326,175	$ 304,409
Total assets and deferred outflows of resources	**$ 9,606,296**	$ 8,977,093	$ 8,898,291
Weighted average interest cost [1]	**4.24%**	3.92%	4.06%
Total cost to MEAG Power Participants (cents per kWh) [2]	**7.04**	6.76	7.01
Peak demand (MW)	**1,854**	1,885	1,758

[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 six months ended June 30, 2018 and 2017, funds from the Municipal Competitive Trust were applied to lower the Participants' generation billings.

DELIVERED ENERGY BY SOURCE

through June 30, 2019



- NUCLEAR
- HYDRO
- GAS
- COAL
- NET PURCHASES

70% Clean/ Emissions-Free through June 30, 2019

SIX MONTHS' PERFORMANCE

Revenue and Expense Analysis

Revenues: For the six months ended June 30, 2019 (YTD 2019), total revenues were $309.6 million compared with $326.2 million for the same period in 2018 (YTD 2018). Participant revenues decreased $25.2 million, while other revenues increased $8.6 million.

Participant revenues decreased due mainly to deferred inflows of resources, which increased $36.9 million, primarily due to changes in fair value (see "Non-operating (income) expense, net"). This was partially offset by an increase in Participant billings for certain operating expenses, mainly fuel, as discussed below. Also, fund transfers from the Municipal Competitive Trust, which were applied to lower Participants' generation billings (Competitive Trust Funding) during YTD 2018, did not apply to YTD 2019 billings, resulting in a $10.3 million increase in Participant revenues.

The increase in other revenues was primarily due to an increase in off-system energy revenues due mainly to volume.

Operating expenses: YTD 2019 operating expenses increased 6.5% to $299.6 million, compared with $281.3 million in YTD 2018 primarily related to these components:

- An increase of $26.3 million in fuel expense was due primarily to the following factors impacting natural gas expense:
  - A significant increase in generation from the Combined Cycle Facility, mainly due to reduced scheduled maintenance outages.
  - In contrast to YTD 2018 when unusually cold winter weather resulted in significant margins on delivered gas sales, such sales were minimal in YTD 2019 due to warmer winter weather (see "Operations").
- Purchased power expense decreased $8.3 million mainly due to weather factors and the decrease in scheduled maintenance.
- A $6.4 million decrease in other generating or operating expense was mainly due to the decrease in scheduled maintenance.
- Depreciation and amortization increased $4.6 million primarily due to accretion of asset retirement obligations.

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 $(3.5) million. This 106.7% increase from the total of $51.9 million net non-operating expense during YTD 2018 was due primarily to changes in the following components:

- The fair value of financial instruments increased $44.2 million due mainly to a rally in intermediate-term bonds during YTD 2019, in comparison with YTD 2018, and a strong performance in equity securities held in the decommissioning trust account.
- A $12.7 million increase in interest capitalized was primarily due to additional capital investment in Vogtle Units 3&4.
- Investment income increased $5.0 million due primarily to higher short-term interest rates related to 2018 Federal Reserve Bank (Fed) rate hikes.
- A $6.7 million increase in interest expense was mainly related to December 2018 bond issuances and an increase in advances under U.S. Department of Energy (DOE) Guaranteed Loans, which were partially offset by refinancing of certain higher-cost fixed-rate debt.

The weighted average interest rate of MEAG Power's debt was 4.24% and 3.92% for YTD 2019 and YTD 2018, respectively, with the increase primarily due to higher variable rates during YTD 2019 related to the 2018 Fed rate increases. In addition, a portion of variable-rate debt was converted to higher-cost fixed-rate debt during the fourth quarter of 2018. These factors were partially offset by additional lower-cost fixed-rate advances under DOE Guaranteed Loans during YTD 2019.

Operations

During YTD 2019, energy delivered to MEAG Power Participants decreased 1.3% from YTD 2018 due mainly to warmer winter weather, which was partially offset by above average temperatures in May. Total power cost to the Participants, including hydro energy purchased from the Southeastern Power Administration (SEPA), was 7.04 cents/kilowatt-hour (kWh) for YTD 2019, compared with 6.76 cents/kWh for YTD 2018. The increase was mainly related to the change in Competitive Trust Funding (see "Revenues"). Lower energy delivered and higher Participant billings for fuel, primarily attributable to the reduction in gas margins (see "Operating expenses"), were also factors, which were partially offset by a reduction in SEPA charges.

Key Recent Developments Pertaining to Vogtle Units 3&4

Key recent developments pertaining to Vogtle Units 3&4 are outlined below. For additional information and definitions of certain terms, see MEAG Power's 2018 Annual Information Statement.

- MEAG Power expects that, based on the construction cost estimate set forth in the VCM 19 Report and the current GPSC-approved in-service dates of November 2021 and November 2022 for Vogtle Unit No. 3 and Vogtle Unit No. 4, respectively, the Vogtle Units 3&4 Project Entities' estimated in-service cost will be approximately $6.4 billion, including construction and financing costs through the estimated in-service dates, contingencies, initial fuel load costs and switchyard and transmission costs. Additional financing needs relating to required reserve funds and other fund deposits result in total financing needs of approximately $6.9 billion, of which approximately $27.3 million remains to be financed.
- In late 2018, the first four nuclear units to utilize Westinghouse's AP1000 technology began commercial operation in China. One of the nuclear units experienced a failure of one of its reactor coolant pumps and is not operating pending determination of the cause of the failure and replacement of the pump. The other three nuclear units remain operational. Southern Nuclear is evaluating the results of a root-cause analysis of the reactor coolant pump failure that was developed by the component manufacturers. MEAG Power's current understanding is that there is no design or systemic issue that would impact the GPSC-approved in-service dates for Vogtle Units 3&4.
- To finance additional costs of acquisition and construction and financing costs of Vogtle Units 3&4:
  - On July 2, 2019, MEAG Power borrowed $50.0 million under the 2019 Project P Credit Agreement.
  - On July 19, 2019, MEAG Power issued $570.9 million of its Plant Vogtle Units 3&4 Project J Bonds, Series 2019A.
  - On September 26, 2019, MEAG Power issued $445.6 million of its Plant Vogtle Units 3&4 Project M Bonds, Series 2019A and $267.0 million of its Plant Vogtle Units 3&4 Project P Bonds, Series 2019B.
- On August 15, 2019, MEAG Power filed a reply brief to JEA's July 25, 2019 response to a Notice of Appeal filed on April 10, 2019 by MEAG Power in the United States Court of Appeals for the Eleventh Circuit related to a federal judge's ruling in the Georgia Action, dismissing MEAG Power's suit against JEA. MEAG Power believes that JEA's claims are without merit and that MEAG Power will prevail in these proceedings.

Key Recent Developments Pertaining to Vogtle Units 3&4 (continued)

- On September 18, 2019, the U. S. District Court — Georgia issued its Order denying a motion by JEA and the City of Jacksonville for reconsideration of the order transferring the case from the U.S. District Court — Florida to the U.S. District Court — Georgia. In the September 18 Order, the court ruled that "Because the PPA is performed in Georgia, both Georgia's and Florida's conflict of law rules provide that Georgia law governs the validity and construction of the contract."
- On August 30, 2019, GPC filed with the GPSC its twentieth VCM report concurrently with its twenty-first VCM report, which reflects the capital cost forecast provided in the VCM 19 Report and affirms the GPSC-approved in-service dates of November 2021 and November 2022 for Vogtle Unit No. 3 and Vogtle Unit No. 4, respectively.

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

(In thousands)	June 30, 2019								June 30, 2018[1]
	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	$1,831,338	$ 686,664	$188,960	$3,377,959	$ –	$4,050	$ –	**$6,088,971**	$5,285,787
Other non-current assets	629,584	161,714	41,858	1,428,880	350,328	–	(189,345)	**2,423,019**	2,663,523
Current assets	310,889	113,728	51,560	99,162	271,575	544	(23,403)	**824,055**	791,612
Deferred outflows of resources	184,893	77,763	6,742	853	–	–	–	**270,251**	236,171
Total Assets and Deferred Outflows of Resources	$2,956,704	$1,039,869	$289,120	$4,906,854	$621,903	$4,594	$(212,748)	**$9,606,296**	$8,977,093
Liabilities and Deferred Inflows of Resources									
Long-term debt	$1,649,679	$ 418,397	$149,703	$4,714,291	$ –	$ –	$(189,345)	**$6,742,725**	$6,325,775
Non-current liabilities	573,166	134,379	431	(1,755)	247,546	–	–	**953,767**	845,424
Current liabilities	270,878	111,800	31,540	193,821	374,357	124	(23,403)	**959,117**	1,034,390
Deferred inflows of resources	462,981	375,293	107,446	497	–	4,470	–	**950,687**	771,504
Total Liabilities and Deferred Inflows of Resources	$2,956,704	$1,039,869	$289,120	$4,906,854	$621,903	$4,594	$(212,748)	**$9,606,296**	$8,977,093

CONDENSED CONSOLIDATED STATEMENT OF NET REVENUES (UNAUDITED)

(In thousands)	Six months ended June 30, 2019								Six months ended June 30, 2018
	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[2]	$145,535	$45,570	$38,147	$ 5,012	$ –	$408	$ –	**$234,672**	$259,837
Other	31,684	28,277	7,130	7,795	–	52	–	**74,938**	66,338
Total revenues	177,219	73,847	45,277	12,807	–	460	–	**309,610**	326,175
Operating expenses	185,905	70,489	42,738	–	21	465	–	**299,618**	281,330
Net operating revenues (loss)	(8,686)	3,358	2,539	12,807	(21)	(5)	–	**9,992**	44,845
Non-operating (income) expense, net	(8,686)	3,358	2,539	(657)	(38)	(5)	–	**(3,489)**	51,901
Change in net costs to be recovered from Participants or Competitive Trust obligations	–	–	–	13,464	17	–	–	**13,481**	(7,056)
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 over-recovery of $19.4 million and $16.8 million for the six months ended June 30, 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 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 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.