

STAYING current

Clean Power Plan The D.C. Circuit Court issued an order rescheduling the oral arguments in the case involving the Clean Power Plan from June 2-3, 2016 to September 27, 2016. The arguments will be heard before all the judges on the D.C. Circuit Court and not just a three-judge panel. The granting of an en banc review, meaning one by the entire panel of judges, is very rare and shows the significance of this case to the court.

Georgia The state is now tied for No. 3 in worldwide movie-making/ film production. Also, Georgia is once again among the best in Chief Executive magazine's annual list of the best states for business. The Peach State stands at No. 8 on the "2016 Best & Worst States for Business" list, which is based on CEOs' rankings for every state's tax and regulatory regime, the quality of the workforce, and the quality of the living environment.

MEAG Power On August 5th, Electric Cities of Georgia (ECG) unveiled the new MEAG Power sponsored conference room at its midtown offices. The first group to see the retooled room included the CEOs of some of Georgia's major corporations as they met for their annual Georgia Allies CEO Briefing at ECG. If you are in the neighborhood, go by the ECG offices and see this redesigned facility that highlights the strengths of MEAG Power as a wholesale electric power provider.

Public Power October 2-8 is Public Power Week, a time to remind your community about the many benefits of their local electric utility system.

Water Wars The trial concerning water distribution from the Chattahoochee and Flint Rivers is scheduled to begin October 31, 2016 and could last two months.



Congressional Vogle Tour

On August 9, representatives from eight Georgia House Districts (Representatives Allen, Hice, Johnson, Loudermilk, Price, A. Scott, D. Scott, and Woodall) toured the Plant Vogtle site. The tour focused on Vogtle 3&4 construction and also pointed out the new spent fuel handling facilities and FLEX facility at Vogtle 1&2, which was recently installed to address emergency response needs in the wake of Fukushima.



SOME THINGS YOU MIGHT NOT KNOW About the Integrated Transmission System (ITS)

We all probably know that the ITS is a statewide system that includes 17,800 miles of transmission lines and that MEAG Power shares ownership of this system with Georgia Transmission Corporation, Georgia Power Company and Dalton Utilities. But here are a few things you might not know:

- Georgia was the first state to have such a shared system and, while other states have recently formed related grids, many are significantly different sharing alliances called regional transmission organizations. The Georgia Territorial Electric Service Act, enacted in 1973, established the rules for retail service with an intent to prevent duplication of facilities among competing electric suppliers. By assigning territories for these suppliers and creating retail competition for new large loads in the State, this Act set the stage for the development of the ITS.
- The ITS operates within the boundaries of the Southern Company transmission system and balancing area and represents the majority of the load in the region. The 2015 peak for the Southeast portion of the ITS was approximately 44,093 MW, and Georgia's ITS load is 27,343 MW, more than half of the total.
- The ITS is jointly planned by all the participating utilities noted above, and each utility is responsible for the capital upgrades, operation and maintenance costs of certain lines and substations it owns. In addition, all owners participate in the planning of the system through joint studies which determine the additional investment needed to maintain system reliability and serve new load. Each owner maintains an investment in the ITS that is proportional to its share of the peak load with the investments of the other joint owners. This load ratio share is also referred to as an ITS member's parity share. Only those transmission facilities that are in service and that have been approved by the other owners are included in calculating the parity formula, which is generally determined each year based on each system's five-year rolling average peak demand. MEAG Power's parity is currently 7.5 percent.
- Expenses pertaining to load-serving substations – substations dedicated to a single customer – once were shared with the ITS co-owners. But after 2007, the ITS implemented a fundamental change to exclude the majority of the costs for load-serving substations. This change limits the shared costs of these substations and protects us from sharing the costs of load-serving substations required for ITS members with higher growth rates.
- The ITS is an economic development asset on two levels. First, because it is an integrated system and not a single-owner undertaking, the investment in its infrastructure, operation and maintenance is shared by the ITS members. This saves ratepayers significant dollars every year by eliminating duplication of facilities.
- And second, because any member utility can use ITS substations and transmission lines to provide service to potential customers, it facilitates competition among utilities for new customers with at least 900 kilowatts of connected load in most situations. Prospective businesses with such loads are eligible to receive proposals from eligible utilities that provide retail service, including our Participant communities. When needed, MEAG Power supports these Participant proposals with method-of-service plans which provide details on how the ITS will be modified to serve the customer.





2016 MEAG POWER ANNUAL MEETING



2016 MEAG POWER PRESIDENT'S AWARD WINNERS
from left: Elaine Koster, Doug Allison, Trish Atwater

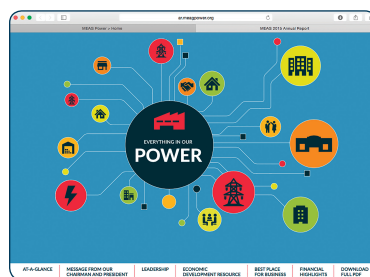
Thank you to everyone who attended the 2016 MEAG Power Annual Meeting.

It was another year of record attendance, including over 30 first-time attendees. As part of this year's event, Jim Fuller, MEAG Power's President and CEO, along with Steve Jackson, MEAG Power's Senior Vice President and COO and Doug Lego, MEAG Power's Vice President and CAO, presented three MEAG Power employees with the new President's Award. Those receiving the honor were Doug Allison, Construction Superintendent; Trish Atwater, Treasury Operations Manager; and Elaine Koster, Communications Manager.



KEYNOTE SPEAKERS

clockwise from top left: **Charlie Cook** analyzed the fall elections by-the-numbers; **Amy Myers Jaffe** highlighted trends in the energy industry; **Marc Gerken**, President and CEO American Municipal Power, Inc. shared his perspective on public power



MEAG POWER GOES Digital

WITH FIRST ONLINE ANNUAL REPORT

While MEAG Power continues to have a printed annual report, we also now have an online digital version. This electronic annual report mirrors the printed document but allows you to go directly to the information that is most important to you. In the months ahead, we will be adding customer testimonials beginning with the President of Flowers Baking Company in Thomasville, Georgia. Our plan is to add more customer testimonials in the future. Indeed, if you have a commercial/ industrial customer in your community who you believe might be interested in participating, please inform Elaine Koster at 770-563-0326 or ekoster@meagpower.org. We believe by adding this online version of our annual report, we will be able to more conveniently and more immediately reach those seeking more information about our company as well as our 49 Participant communities. To view the report, go to www.meagpower.org.



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2016 MAKE A NOTE

MEAG Power Board Meetings

October 20 – Monroe
November 17

MEAG Power Mayors Summit

November 4-6 – Lake Oconee



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James E. Fuller – President & Chief Executive Officer

Elaine A. Koster – Editor

Guest Contributor – David Weekley, Director of Transmission-Operations

