

2022 Third Quarter Report

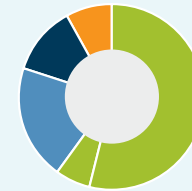
SUMMARY OF SELECTED FINANCIAL AND OPERATING DATA

(Dollars in thousands)

Nine months ended or as of September 30,	2022	2021	2020
Total revenues	\$ 785,609	\$ 535,120	\$ 486,865
Total assets and deferred outflows of resources	\$12,075,326	\$ 11,975,779	\$ 11,169,692
Weighted average interest cost ⁽¹⁾	4.01%	3.96%	4.14%
Total cost to MEAG Power Participants (cents per kWh)	7.22	6.49	6.73
Peak demand (MW)	2,188	1,985	1,927

⁽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.

MEAG POWER DELIVERED ENERGY



- 54% Nuclear
- 6% Hydro
- 20% Natural Gas
- 12% Coal
- 8% Net Purchases

60% Non-Emitting*

*12-month rolling average, as of September 30, 2022

NINE MONTHS' PERFORMANCE

Revenue and Expense Analysis



Revenues: For the nine months ended September 30, 2022 (YTD 2022), total revenues were \$785.6 million compared with \$535.1 million for the same period in 2021 (YTD 2021).

Participant revenues increased \$266.6 million, while other revenues decreased \$16.2 million.

Participant revenues increased due mainly to higher Participant billings for certain operating expenses, mainly purchased power and fuel (see "Operating expenses"), and the accounting treatment of the net change in the fair value of financial instruments (see "Non-operating expense (income), net"). The decrease in other revenues was primarily related to the Pseudo Scheduling and Services Agreement (PSSA) energy sales, an allocation from The Energy Authority related to power marketing activities that was received in 2021, but not in 2022, and off-system energy sales. These factors were partially offset by an increase in debt service billings under the Vogtle Units 3&4 power purchase agreements.

Operating expenses: YTD 2022 operating expenses increased 25.0% to \$559.0 million, compared with \$447.4 million in YTD 2021 primarily related to these components:

- A \$76.8 million increase in purchased power expense was primarily due to coal conservation measures impacting economic dispatch and higher replacement power purchase prices.
- Total fuel expense increased \$38.6 million due mainly to increases of \$26.0 million in natural gas expense and \$15.3 million in coal expense, which were partially offset by a \$2.4 million decrease in nuclear fuel expense. The increase in natural gas expense was mainly due to higher prices and coal transportation issues, which prevented greater fuel switching away from gas. Coal expense increased primarily due to higher generation, resulting from the increase in natural gas as well as power market prices, and higher transportation costs. The decrease in nuclear fuel expense was mainly due to lower amortization rates.
- Other generating and operating expense decreased \$9.6 million primarily due to a decrease in PSSA purchases, related to coal conservation matters, and margins from a sale of natural gas pipeline capacity. These factors were partially offset by an increase in scheduled major maintenance performed on the Wansley Combined Cycle Facility.

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 \$171.7 million for YTD 2022, compared with \$51.7 million for YTD 2021. This increase was due primarily to changes in these components:

- The fair value of financial instruments decreased \$127.5 million due mainly to negative impacts from equity market conditions and higher interest rates.
- A \$9.4 million increase in interest expense was primarily related to 2021 and 2022 bond issuances.
- Interest capitalized increased \$17.5 million mainly due to additional capital investment in Vogtle Units 3&4.

The weighted average interest rate of MEAG Power's debt was 4.01% for YTD 2022, comparable to 3.96% for YTD 2021.

Operations

During YTD 2022, energy delivered to MEAG Power Participants increased 11.8% from YTD 2021, primarily due to new customer loads and slightly warmer summer weather, compared with YTD 2021. Total power cost to the Participants, including hydro energy purchased from the Southeastern Power Administration, was 7.22 cents/kilowatt-hour (kWh) for YTD 2022, compared with 6.49 cents/kWh for YTD 2021. The increase was primarily due to higher Participant billings for purchased power and fuel (see "Operating expenses"), which was partially offset by the increase in delivered energy.

Key Recent Developments Pertaining to Vogtle Units 3&4

As of the twenty-seventh Vogtle Construction Monitoring (VCM) report (VCM 27), construction of Vogtle Units 3&4 was approximately 98% complete. Key recent developments pertaining to Vogtle Units 3&4 are outlined below. For additional information and definition of certain terms, see MEAG Power's 2021 Annual Information Statement or the Official Statements dated June 29, 2022 (OS), pertaining to MEAG Power's Plant Vogtle Units 3&4 Project J and Project M Series 2022A Bonds, as well as the OS for the Project P Series 2022A Bonds and Taxable Series 2022B Bonds, which totaled \$375.2 million (see "Recent Financings" below).

Unit 3 Fuel Load, Start-up Testing and Operations

Fuel load into the Unit 3 reactor core was completed on October 17, 2022, which marks a major milestone toward start-up and commercial operation of Unit 3.

The Unit 3 fuel load came after Southern Nuclear Operating Company, Inc. (Southern Nuclear) received a 103(g) finding from the U.S. Nuclear Regulatory Commission (NRC) on August 3, 2022, which signified that the new unit has been constructed and will be operated in conformance with its Combined Operating License (COL) and NRC regulations.

During fuel load, nuclear technicians and operators from Westinghouse and Southern Nuclear safely transferred 157 fuel assemblies one-by-one from the Unit 3 spent fuel pool to the Unit 3 reactor core. Related testing and other component installations to allow setting of the integrated head package and closing the reactor vessel are in process.

Unit 3 start-up activities are in process, with operators taking the steps to bring Unit 3 on-line. Start-up testing is designed to demonstrate the integrated operation of the primary coolant system and steam supply system at design temperature and pressure with fuel inside the Unit 3 reactor. Operators will also bring Unit 3 from cold shutdown to initial criticality, synchronize the unit to the electric grid and systematically raise power to 100% reactor output. This testing process leading to commercial operation will occur over a number of weeks. Unit 3 is projected to enter service in the first quarter of 2023.

Cost and Schedule

Based on the construction cost estimate set forth in VCM 27, and other construction cost estimates, and based on in-service dates of March 2023 and First Quarter 2024 for Unit 3 and Unit 4, respectively, it is estimated that the Vogtle Units 3&4 Project Entities' (Project Entities) in-service cost will be, in the aggregate, approximately \$7.3 billion, including construction and financing costs through the estimated in-service dates, initial fuel load costs, and switchyard and transmission costs and contingencies established by both Georgia Power Company (GPC) at the project level for all co-owners and by the Project Entities. Additional financing needs relating to reserve funds and other fund deposits required under MEAG Power's and the Project Entities' financing documents result in total financing needs of approximately \$7.9 billion. On October 27, 2022, GPC released its Third Quarter 2022 Form 10-Q, which disclosed an increase in the total project capital cost forecast to replenish construction contingency. MEAG Power's share of the increase to the project capital cost forecast is approximately \$33.8 million, which also is included in the total financing need described above.

The latest schedule extension triggered the requirement that the holders of at least 90% of the ownership interests in Vogtle Units 3&4 must vote to continue construction. Subsequently, effective February 25, 2022, holders of 100% of such ownership interests had voted to continue construction.

The projected schedule for Unit 3 primarily depends on the pace of system and area transitions to operations, including the completion of closure documentation necessary to support start-up testing, and the progression of start-up, final component, and pre-operational testing, which may be impacted by equipment or other operational failures.

Recent achievements and milestones for Unit 4 include completion of: (i) open vessel testing activities, (ii) the containment vessel integrated leak rate test, (iii) integrated flush activities, (iv) hydrostatic testing of steam generators, (v) closed vessel testing and (vi) rotation of turbine on its turning gear. Cold hydrostatic testing for Unit 4 was completed on December 7, 2022. This testing is required to support the last major test remaining for Unit 4, hot functional testing, which is projected to

commence by the end of the first quarter of 2023. Bulk electrical construction continues, with the focus on achievement of hot functional testing. Unit 4's projected schedule primarily depends on Unit 3's progress through start-up and testing; overall construction productivity and production levels improving, particularly in electrical installation, including terminations; and appropriate levels of craft laborers, particularly electricians, being added and maintained. As Unit 4 progresses through construction and continues to transition into testing, ongoing and potential future challenges include the pace and quality of electrical, mechanical, and instrumentation and controls commodities installation; availability of craft and supervisory resources, including the temporary diversion of such resources to support Unit 3; the pace of work package closures and system turnovers; and the timeframe and duration of hot functional and other testing. All major components for both units are on site for completion. Ongoing or future challenges for both units also include management of contractors and vendors; subcontractor performance; supervision of craft labor and related productivity; ability to attract and retain craft labor; and/or related cost escalation. New challenges also may arise, particularly as Unit 3 and Unit 4 move into initial testing and start-up, which may result in required engineering changes or remediation related to plant systems, structures, or components (some of which are based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale). These challenges may result in further schedule delays and/or cost increases.

There have been technical and procedural challenges to the construction and licensing of Vogtle Units 3&4 at the federal and state level and additional challenges may arise. Processes are in place that are designed to ensure compliance with the requirements specified in the Westinghouse Design Control Document and the COLs, including inspections by Southern Nuclear and the NRC that occur throughout construction.

With the receipt of the NRC's 103(g) finding, Unit 3 is now under the NRC's operating reactor oversight process and must meet applicable technical and operational requirements contained within Unit 3's operating license. Various design and other licensing-based compliance matters, including the timely submittal by Southern Nuclear of the Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC) documentation and the related reviews and approvals by the NRC necessary to support NRC authorization to load fuel for Unit 4, may arise, which may result in additional license amendment requests or require other resolution. If any license amendment requests or other licensing-based compliance issues, including inspections and ITAACs for Unit 4, are not resolved in a timely manner, there may be delays in the project schedule that could result in increased costs.

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

Tender Option and Litigation Settlement Regarding Co-Owner Disagreement

Under the Global Amendments to the Vogtle Joint Ownership Agreements (Global Amendments), each of the co-owners in Vogtle Units 3&4 (each, a Co-Owner) had a one-time option to tender to GPC a portion of its ownership interest in certain circumstances based on the estimated cost at completion of Vogtle Units 3&4. In such case, GPC would pay that Co-Owner's remaining share of construction costs actually incurred in excess of the VCM 19 Forecast amount plus \$2.1 billion, with the ownership interest of the tendering Co-Owner adjusted accordingly. The Co-Owners also have certain rights to terminate the construction of Vogtle Units 3&4 upon the occurrence of specified project adverse events (each, a PAE).

On September 29, 2022, MEAG Power and the Project Entities entered into a Definitive Settlement Agreement with GPC (the Settlement Agreement) to resolve claims in litigation filed by MEAG Power and the Project Entities on June 18, 2022, in the Superior Court of Fulton County, Georgia, with respect to the tender option and cost-sharing provisions of the Global Amendments. Under the Settlement Agreement:

- GPC will reimburse the Project Entities for (1) 15% of their share of the actual cost of construction of Vogtle Units 3&4 in excess of \$18.7 billion, up to and including \$19.6 billion, and (2) 20% of their share of the actual cost of construction of Vogtle Units 3&4 in excess of \$19.6 billion. Assuming the actual cost of construction equals the current budgeted construction amount of \$20.6 billion, total payments to the Project Entities by GPC pursuant to this provision will equal approximately \$79 million. Any additional increase in construction costs will result in additional payments by GPC to the Project Entities. MEAG Power and the Project Entities released GPC from claims for additional reimbursement to the Project Entities of costs of construction of Vogtle Units 3&4 other than pursuant to the Settlement Agreement;
- The Project Entities agreed not to tender any of their ownership interests in Vogtle Units 3&4 to GPC, which will remain 22.7% in the aggregate;
- The parties dismissed with prejudice the existing litigation among them and delivered customary releases relating to the litigation; and
- MEAG Power agreed not to vote to discontinue the construction of Vogtle Units 3&4 upon the occurrence of any PAE, unless any of such PAE would cause the commercial operation date of either unit to occur after December 31, 2025.

The obligations of MEAG Power and the Project Entities to pay operations and maintenance costs or other capital costs after the completion of either unit remain unchanged.

On October 4, 2022, MEAG Power and GPC filed a notice of settlement and voluntary dismissal of their pending litigation, including GPC's counterclaim.

Recent Financings

To finance additional construction costs, on July 12, 2022, MEAG Power issued the following Plant Vogtle Units 3&4 Project Bonds:

- \$212.0 million of Project J Bonds, Series 2022A;
- \$51.2 million of Project M Bonds, Series 2022A;
- \$50.4 million of Project P Bonds, Series 2022A; and
- \$61.6 million of Project P Bonds, Taxable Series 2022B.

Other Matters

Closure of Wansley Units 1&2 and Unit 5A

Decertification and retirement of Plant Wansley Units 1&2 and Unit 5A (268.8 megawatts based on MEAG Power's 15.1% ownership) occurred on August 31, 2022. No unplanned impact to MEAG Power's ability to supply capacity and energy to the Participants occurred as a result. The remaining net book values and any remaining unusable materials and supplies inventories upon retirement (approximately \$92 million as of September 30, 2022) have been recorded as a regulatory asset and will be amortized over the remaining period of the principal of the debt outstanding (approximately \$79 million) through 2043.

Fitch Ratings Upgrade

Effective September 12, 2022, Fitch Ratings (Fitch) upgraded its rating on the following MEAG Power bonds:

Project	Bonds	Rating:	
		New	Previous
Project One	Senior	A	A-
	Subordinated	A-	BBB+
General Resolution Projects	Senior	A	A-
	Subordinated	A-	BBB+
Combined Cycle Project	Senior	A-	BBB+

Also effective that same day, Fitch revised its outlook for all of these bonds to stable from positive.

Sale of Georgia Public Web

On September 30, 2022, Georgia Public Web, Inc. (GPW), a Georgia nonprofit corporation formed by the 32 Participants that comprise MEAG Power's Telecommunications Project (Telecom), was acquired by Accelecom Georgia, LLC (Accelecom). GPW was established in 2001 to, among other things, achieve economies of scale and serve the telecommunications needs of its 32 members.

MEAG Power sold certain telecommunications assets to and entered into a Master Agreement with Accelecom providing indefeasible rights to use optical fibers in MEAG Power cables. MEAG Power continues to provide maintenance and repair for certain portions of the MEAG Power system. Telecom's account balances will be closed by December 31, 2022, and any remaining funds will be returned to the applicable Participants.

SEEM

MEAG Power is a member of the Southeast Energy Exchange Market (SEEM). On November 9, 2022, SEEM initiated operations that allow its participants to buy and sell power on a bilateral basis. SEEM is intended to facilitate automated, sub-hourly trading by allowing participants to buy and sell power close to the time the energy is consumed through the use of available unreserved transmission. SEEM does not have dispatch control over the generation facilities of its members.

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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

(In thousands)	September 30, 2022								September 30, 2021
	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	\$1,810,222	\$612,051	\$172,737	\$5,660,150	\$ -	\$ -	\$ -	\$ 8,255,160	\$ 8,045,041
Other non-current assets	772,447	128,747	30,418	1,198,031	243,819	-	-	2,373,462	2,379,324
Current assets	317,247	96,689	112,765	317,338	363,865	549	(4,195)	1,204,258	1,284,616
Deferred outflows of resources	164,287	102,149	(24,355)	365	-	-	-	242,446	266,798
Total Assets and Deferred Outflows of Resources	\$3,064,203	\$939,636	\$291,565	\$7,175,884	\$607,684	\$549	\$(4,195)	\$12,075,326	\$11,975,779
Liabilities and Deferred Inflows of Resources									
Long-term debt	\$1,543,894	\$324,407	\$ 72,637	\$6,938,635	\$ -	\$ -	\$ -	\$ 8,879,573	\$ 8,641,100
Non-current liabilities	638,243	168,872	(236)	(244)	243,070	-	-	1,049,705	1,046,987
Current liabilities	193,837	29,297	65,086	236,155	364,614	129	(4,195)	884,923	1,005,555
Deferred inflows of resources	688,229	417,060	154,078	1,338	-	420	-	1,261,125	1,282,137
Total Liabilities and Deferred Inflows of Resources	\$3,064,203	\$939,636	\$291,565	\$7,175,884	\$607,684	\$549	\$(4,195)	\$12,075,326	\$11,975,779

CONDENSED CONSOLIDATED STATEMENT OF NET REVENUES (UNAUDITED)

(In thousands)	Nine months ended September 30, 2022								Nine months ended September 30, 2021
	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	\$447,481	\$109,955	\$96,310	\$57,251	\$ -	\$2,362	\$ -	\$713,359	\$446,719
Other	28,214	5,102	5,433	35,131	-	(1,630)	-	72,250	88,401
Total revenues	475,695	115,057	101,743	92,382	-	732	-	785,609	535,120
Operating expenses	358,867	99,373	100,052	-	-	735	-	559,027	447,389
Net operating revenues (loss)	116,828	15,684	1,691	92,382	-	(3)	-	226,582	87,731
Non-operating expense (income), net	116,828	15,684	1,691	37,497	(10)	(3)	-	171,687	51,675
Change in net costs to be recovered from Participants or Competitive Trust obligations	-	-	-	54,885	10	-	-	54,895	36,056
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

¹ Net of over-recovery of \$22.7 million and \$45.4 million for the nine months ended September 30, 2022 and 2021, 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 2021 audited financial statements.

THE MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA

The Municipal Electric Authority of Georgia (MEAG Power) is a nonprofit, statewide generation and transmission organization. Recognized as one of the leading joint action agencies in the country, MEAG Power is among the top public power companies nationwide in terms of annual net generation, megawatt-hour sales and electric revenue. Its diverse, clean energy portfolio — delivering 66% emissions-free energy in 2021 — compares favorably with both the state and national averages. Created by the Georgia General Assembly in 1975, MEAG Power provides reliable, competitive wholesale electricity to its 49 member communities (Participants), who own their local distribution systems. MEAG Power also monitors and advocates on energy issues at the state and federal levels on behalf of its Participants.