



Municipal Electric Authority of Georgia

ANNUAL INFORMATION STATEMENT

For The Fiscal Year Ended December 31, 2009

The following documents (collectively, the “Annual Information Statement”) set forth certain information concerning MEAG Power (including, among other things, MEAG Power’s outstanding debt, its Projects, certain of its Participants and its audited consolidated financial statements for its fiscal years 2009 and 2008). The information contained in the Annual Information Statement speaks only as of the date thereof, and MEAG Power assumes no duty to update any information contained in the Annual Information Statement.

In accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the United States Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended, MEAG Power has filed the Annual Information Statement with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <http://emma.msrb.org> pursuant to Rule 15c2-12 in satisfaction of MEAG Power’s obligations under certain continuing disclosure undertakings made by MEAG Power pursuant to Rule 15c2-12 with respect to certain issues of its bonds. Because of limitations inherent in the electronic transmission of documents, the appearance (but not the content) of the Annual Information Statement on this website may differ from the version thereof filed with the MSRB through the EMMA website.

In accordance with Rule 15c2-12, MEAG Power may, from time to time, include by specific reference in the official statements or other offering documents relating to its securities all or any portion of the information contained in the Annual Information Statement, to the extent specified in such official statements or other offering documents (and subject to any provision of any such official statement or other offering document modifying, supplementing or superseding any such included portion). The Annual Information Statement is provided on this website for informational purposes only and must not be considered to be an offer to sell or the solicitation of an offer to buy any securities of MEAG Power in any jurisdiction, which offer or solicitation may only be made by an official statement or other offering document.

Each viewer acknowledges that (a) MEAG Power is not, by the Annual Information Statement, offering to sell any securities, nor soliciting an offer to buy any securities, (b) the Annual Information Statement will not be construed by the viewer as any description of MEAG Power, any of its Participants or the other parties referred to therein or their respective affairs at any time subsequent to the date of the Annual Information Statement nor will the viewer assume from the availability of the Annual Information Statement on this website that the affairs of MEAG Power, any of its Participants or the other parties referred to therein have not changed since the date of the Annual Information Statement and (c) because the information contained in the Annual Information Statement may be out of date or incomplete, the Annual Information Statement must not be relied upon in connection with any decision to purchase or sell any securities of MEAG Power.

SUMMARY OF PROJECT AGREEMENTS

General

MEAG Power's rights and obligations with respect to Plant Hatch, Plant Wansley, Plant Vogtle Unit Nos. 1 and 2 and those facilities at Plant Vogtle intended to be used in common by Plant Vogtle Unit Nos. 1 and 2 (such facilities together with Plant Vogtle Unit Nos. 1 and 2 are collectively referred to as, "Vogtle Units 1&2"), Plant Scherer Unit Nos. 1 and 2 and those facilities at Plant Scherer intended to be used in common by Plant Scherer Unit No. 1 or Plant Scherer Unit No. 2, or both, and one or both of Plant Scherer Unit No. 3 or Plant Scherer Unit No. 4 (such facilities are collectively referred to herein as the "Plant Scherer Common Facilities") are contained in a number of agreements between MEAG Power and GPC, in the case of Plant Hatch, Plant Wansley and a portion of MEAG Power's ownership interest in Vogtle Units 1&2, and among MEAG Power, GPC, OPC and Dalton, in the case of Vogtle Units 1&2 and Plant Scherer Unit Nos. 1 and 2 and the Plant Scherer Common Facilities.

Plant Wansley. MEAG Power and GPC are parties to a Purchase and Ownership Participation Agreement, dated as of August 27, 1976, as amended (the "Wansley Ownership Agreement"), under which MEAG Power has acquired from GPC, and as described below is obligated in respect of, a 15.1 percent ownership interest in Plant Wansley (consisting of the 10.0 percent undivided interest included in Project One and the 5.1 percent undivided interest included in Project Two). MEAG Power is also a party to an Operating Agreement, dated as of August 27, 1976, as amended (the "Wansley Operating Agreement"), relating to the operation and maintenance of Plant Wansley. In addition, MEAG Power and GPC have entered into an Agreement of Construction, dated as of August 27, 1976, to construe certain terms and conditions of the Wansley Ownership Agreement and Wansley Operating Agreement.

Plant Hatch. MEAG Power is party to a Purchase and Ownership Participation Agreement, dated as of August 27, 1976, as amended (the "Hatch Ownership Agreement"), under which it acquired from GPC, and is obligated in respect of, a 17.7 percent ownership interest in Plant Hatch. MEAG Power is also a party to an Operating Agreement, dated as of August 27, 1976, as amended (the "Hatch Operating Agreement"), relating to the operation and maintenance of Plant Hatch. In addition, MEAG Power and GPC have entered into an Agreement of Construction, dated as of August 27, 1976, to construe certain terms and conditions of the Hatch Ownership Agreement and Hatch Operating Agreement.

Plant Scherer Unit Nos. 1 and 2. MEAG Power, GPC, OPC and Dalton are parties to a Purchase and Ownership Participation Agreement, dated as of May 15, 1980 (the "Scherer Ownership Agreement"), under which MEAG Power is obligated in respect of its aggregate 30.2 percent ownership interest in Plant Scherer Unit Nos. 1 and 2 (consisting of the 10.0 percent ownership interest included in Project One, the 5.1 percent ownership interest included in Project Two and the 15.1 percent ownership interest included in Project Three), and in respect of its 15.1 percent ownership interest in the Plant Scherer Common Facilities (consisting of the 5.0 percent interest in Project One, the 2.55 percent interest in Project Two and the 7.55 percent interest in Project Three). MEAG Power, GPC, OPC and Dalton are also parties to an Operating Agreement, dated as of May 15, 1980 (the "Scherer Operating Agreement"), relating to the operation and maintenance of Plant Scherer Unit Nos. 1 and 2 and the Plant Scherer Common Facilities. Both the Scherer Ownership Agreement and the Scherer Operating Agreement were amended in December 1985 to accommodate a sale and leaseback financing arrangement by OPC of its interest in Plant Scherer Unit No. 2.

In connection with OPC's sale and leaseback financing arrangement of its interest in Plant Scherer Unit No. 2, MEAG Power, GPC, OPC, Dalton and Gulf Power Company entered into Consent, Amendment and Assumption Agreements, each dated as of December 30, 1985, with each of four Owner

Trustees (those involved in the OPC financing arrangement) pursuant to which the Consenting Co-Owners (GPC, OPC, MEAG Power and Dalton) consented to the transfers and to the related assignments and assumptions required in the OPC sale and leaseback financing arrangement.

The co-owners of Plant Scherer Unit Nos. 1 and 2 entered into an amendment to the Scherer Ownership Agreement and an amendment to the Scherer Operating Agreement, both amendments dated as of December 31, 1990. The amendments, among other things, permit each such party and each co-owner of Plant Scherer Unit No. 3 or Plant Scherer Unit No. 4, under certain conditions, to elect to maintain a separate coal stockpile for accounting and other purposes and for purposes of payment of costs relating thereto; to procure coal for use in connection with their undivided ownership interests; and to cause GPC to use its reasonable best efforts to dispatch the undivided ownership interest of such party, if it has a separate coal stockpile, to match such party's schedule. GPC and MEAG Power have made similar amendments to the Wansley Ownership Agreement and the Wansley Operating Agreement.

The parties to the Scherer Ownership Agreement, along with the other co-owners of Plant Scherer Unit Nos. 3 and 4, entered into a Plant Scherer Managing Board Agreement (the "Scherer Managing Board Agreement") which, among other things, established a managing board to coordinate the implementation and administration of the various agreements referred to above relating to Plant Scherer and similar agreements relating to Plant Scherer Unit Nos. 3 and 4, including the establishment of standards, rules and policies for fuel and fuel procurement and the method of voting on issues affecting the various components of Plant Scherer in which all co-owners of the Plant have an interest.

As a result of the amendments to the Scherer Ownership Agreement and the Scherer Operating Agreement described above and the Scherer Managing Board Agreement, and the sale by GPC of undivided ownership interests in Plant Scherer Unit No. 4 to Florida Power & Light Company ("FP&L") and JEA, the co-owners of Plant Scherer amended the Consent, Amendment and Assumption Agreements with each of the four Owner Trustees, dated as of August 16, 1993, to (1) address the rights and obligations of OPC and the Owner Trustees with respect to the Scherer Managing Board Agreement, (2) amend the Co-Owners' Consent relating to the purchase of the coal stockpile and Plant Scherer Unit No. 2 coal inventories, and (3) allow the Owner Trustees, subject to certain conditions, the right to elect to succeed to certain then existing rights of OPC under the Scherer Ownership Agreement and the Scherer Operating Agreement.

Vogtle Units 1&2. MEAG Power, GPC, OPC and Dalton are parties to (1) a Purchase and Ownership Participation Agreement, dated as of August 27, 1976, as amended (the "Vogtle Units 1&2 Ownership Agreement" which is referred to herein collectively with the Hatch Ownership Agreement, the Wansley Ownership Agreement and the Scherer Ownership Agreement, as the "Ownership Agreements"), under which MEAG Power has acquired from GPC, and as described below is obligated in respect of, its 17.7 percent ownership interest in Vogtle Units 1&2 included in MEAG Power's Project One and under which MEAG Power is obligated in respect of the additional 5.0 percent ownership interest in Vogtle Units 1&2 included in Project Four and (2) an Amended and Restated Operating Agreement, dated as of April 21, 2006, as amended (the "Vogtle Operating Agreement" which is referred to herein collectively with the Hatch Operating Agreement, the Wansley Operating Agreement and the Scherer Operating Agreement, as the "Operating Agreements"), relating to the operation and maintenance of Plant Vogtle. The Vogtle Operating Agreement amended and restated the operating agreement, dated as of August 27, 1976, as amended, which originally governed Vogtle Units 1&2, to include two additional nuclear units at Plant Vogtle ("Vogtle Units 3&4"). For a discussion of the provisions of the Vogtle Operating Agreement, see APPENDIX L, "SUMMARY OF VOGTLE UNITS 3&4 PROJECT AGREEMENTS – Vogtle Operating Agreement." MEAG Power and GPC are parties to a purchase agreement (the "Vogtle Units 1&2 Purchase Agreement"), which provided for, among other things, the purchase by MEAG Power from GPC of an additional 5.0 percent ownership interest in Vogtle Units 1&2 which is included in Project Four, and the amendment thereto dated as of April 9, 1985 revising the terms of the sellback by MEAG Power to GPC of output from MEAG Power's interests in Vogtle Units 1&2 (the "Amended Vogtle Units

1&2 Purchase Agreement”). See “Summary of Operating Agreements – *Sell-Back Arrangements with GPC*” herein.

Nuclear Managing Board. MEAG Power, GPC, OPC and Dalton entered into a Nuclear Managing Board Agreement, dated as of November 12, 1990, which established a nuclear managing board to coordinate the implementation and administration of the various agreements referred to above relating to Plant Hatch and Vogtle Units 1&2. Subsequently, the parties entered into an Amended and Restated Nuclear Managing Board Agreement, dated as of July 1, 1993 (the “Amended and Restated Nuclear Managing Board Agreement”), which authorized GPC to enter into a Nuclear Operating Agreement for Plant Hatch and Vogtle Units 1&2 with Southern Nuclear. This amended agreement established Southern Nuclear as the Operating Agent responsible for the operation and maintenance and decommissioning of Plant Hatch and Vogtle Units 1&2 as the agent of GPC, subject to receiving the approval of the NRC. That approval was received on March 17, 1997 and Southern Nuclear now is functioning as the Operating Agent. As a result of the foregoing, the nuclear services agreement previously entered into among MEAG Power, GPC, OPC and Dalton has been terminated and GPC has acknowledged (a) that the Nuclear Operating Agreement is a subcontract only and does not relieve GPC of any of its responsibilities to the co-owners of Plant Hatch and Vogtle Units 1&2 and (b) that it shall continue to be responsible to the other co-owners for its agency functions, including, but without limitation, the operation and maintenance and decommissioning of Plant Hatch and Vogtle Units 1&2 pursuant to the applicable Agreements and shall be responsible for the performance of the Operating Agent. The Operating Agent, in turn, is obligated to comply with the applicable terms of the Amended and Restated Nuclear Managing Board Agreement.

On April 21, 2006, GPC, MEAG Power, OPC and Dalton entered into a Second Amended and Restated Nuclear Managing Board Agreement (the “Nuclear Managing Board Agreement”) for Plant Hatch and Plant Vogtle for the purpose of providing that Southern Nuclear also will serve as the Operating Agent with respect to the proposed expansion at Plant Vogtle involving the construction of Vogtle Units 3&4 in addition to Vogtle Units 1&2. The Second Amended and Restated Nuclear Managing Board Agreement was further amended by Amendment No. 1 thereto, dated as of April 8, 2008, to clarify the identity of Dalton as a party to the Second Amended and Restated Nuclear Managing Board Agreement.

Other Matters. MEAG Power’s ownership interests in Plant Wansley and Plant Scherer Unit Nos. 1 and 2 and the Plant Scherer Common Facilities included in Project Two, its ownership interests in Plant Scherer Unit Nos. 1 and 2 and the Plant Scherer Common Facilities included in Project Three, its ownership interests in Vogtle Units 1&2 included in Project Four, and its ownership interests in Vogtle Units 3&4 included in the Vogtle Units 3&4 Projects may not be financed under the Project One Resolution. MEAG Power’s ownership interests in such facilities included as part of Project One may not be financed under the General Resolution Projects Resolution or the Vogtle Units 3&4 Bond Resolutions. Revenues from the sale of capacity and energy attributable to MEAG Power’s ownership interests in such facilities included as part of Project One have been pledged by MEAG Power as security for Project One Senior Bonds; revenues from the sale of capacity and energy attributable to MEAG Power’s ownership interests therein included as part of Project Two, Project Three and Project Four are pledged by MEAG Power as security for General Resolution Projects Senior Bonds issued under the General Resolution Projects Resolution; and revenues from the sale of capacity and energy attributable to MEAG Power’s ownership interests therein included as part of Project M, Project J and Project P are pledged by MEAG Power as security for Project M Bonds, Project J Bonds and Project P Bonds, respectively, issued under the applicable Vogtle Units 3&4 Bond Resolution. However, MEAG Power’s obligations under the Project Agreements extend to MEAG Power’s interests, as a whole, in such facilities. Failure of MEAG Power to meet any obligation in respect of its ownership interest in any Plant included as part of a Project would entitle the other co-owners to invoke their remedies in respect of MEAG Power’s entire interest therein and consequently may adversely affect the rights of MEAG Power with respect to its ownership interest in such Plant, if any, included in another Project. See APPENDIX L, “SUMMARY OF VOGTLE

UNITS 3&4 PROJECT AGREEMENTS” for a description of the project agreements that govern the Vogtle Units 3&4 Projects.

MEAG Power and GPC have entered into three letter agreements dated May 8, 1979, August 8, 1983 and October 31, 1988 relating to the interpretation of certain provisions of the Project Agreements.

Summary of Ownership Agreements

GPC’s Responsibilities as Agent. The Ownership Agreements appoint GPC as agent with sole authority for, among other things, the planning, licensing, design, construction and disposal of Plant Hatch, Plant Wansley, Vogtle Units 1&2, Plant Scherer Unit Nos. 1 and 2 and the Plant Scherer Common Facilities. As agent, GPC has the sole authority and responsibility to arrange for and acquire nuclear fuel for Plant Hatch and Vogtle Units 1&2 and fossil fuel for Plant Scherer Unit Nos. 1 and 2 and Plant Wansley, except that under certain circumstances the other co-owners of Plant Wansley and Plant Scherer Unit Nos. 1 and 2 may acquire fossil fuel for those units. However, each co-owner of the respective Plants or units may make its own financial arrangements for the discharge of its fuel payment obligations so long as such arrangements do not adversely affect the rights of the other co-owners.

In performing its responsibilities under the Ownership Agreements, GPC is required to comply with prudent utility practices. GPC’s liabilities with respect to its duties under the Ownership Agreements are limited by the terms thereof.

Costs of Repairs and Reconstruction. Under certain circumstances, MEAG Power may be required to make payment for repair or reconstruction resulting from damage to or destruction of any portion of Plant Hatch, Plant Wansley, Vogtle Units 1&2, Plant Scherer Unit No. 1, Plant Scherer Unit No. 2 or the Plant Scherer Common Facilities.

Remedies for Non-Payment. The Hatch Ownership Agreement and Wansley Ownership Agreement provide that, should MEAG Power fail to make payment when due, interest will be added to the overdue amount and MEAG Power will indemnify GPC for any damages arising out of MEAG Power’s failure to make timely payment. In addition, GPC has the right, but not the obligation, to make any payment of principal or interest due from MEAG Power in respect of bonds for financing MEAG Power’s obligations under the respective Ownership Agreements and to be reimbursed therefor by MEAG Power.

The Scherer Ownership Agreement and the Vogtle Units 1&2 Ownership Agreement provide that, should a co-owner fail to make any payment when due, among other things, such non-paying co-owner’s rights to output capacity and energy would be suspended, and, in certain circumstances, the other co-owners would have the right to acquire all or a part of the non-paying co-owner’s ownership interest in the Plant or the units and common facilities involved.

Alienation and Assignment of Ownership Interests. The parties to the Hatch Ownership Agreement, the Vogtle Units 1&2 Ownership Agreement and the Wansley Ownership Agreement have rights to transfer ownership interests subject to first refusal rights of the other parties, subject to certain conditions. This right of first refusal is activated by an offer to the co-owners in proportion to their respective ownership interests. The offer, in the form of a contract with a firm price, must be accepted within 90 days. If the offer is not accepted, the seller may (within one year) sell to other entities upon the same conditions contained in the offer. In addition, with respect to Vogtle Units 1&2, GPC has reserved the right to sell undivided ownership interests to electric membership corporations or public bodies. Any such sale would not affect the obligation of GPC to continue as agent for the co-owners. GPC has retained the right to sell additional interests in Plant Wansley to co-owners of Plant Hatch, provided that, except for sales to OPC or MEAG Power as a result of certain options available under specified conditions, it must maintain a majority interest.

Except with the consent of co-owners owning at least an aggregate 95 percent interest in Plant Scherer Unit Nos. 1 and 2, no co-owner of such units may sell or otherwise transfer any portion of its interest in such units or the Plant Scherer Common Facilities without first offering such portion to the other co-owners (on a *pro rata* basis). However, such consent is not required in certain circumstances, including sales or transfers in connection with pollution control or fuel financing arrangements. No such sale or transfer by GPC shall relieve it of its obligation to act as agent under the Scherer Ownership Agreement and Scherer Operating Agreement; furthermore, no such sale or transfer by MEAG Power, GPC or OPC shall relieve GPC of its obligations under the sellback arrangements with respect to Plant Scherer Unit Nos. 1 and 2.

The Plant Scherer Common Facilities. Under the Scherer Ownership Agreement, each of the co-owners of the Plant Scherer units is required to own a percentage interest in the Plant Scherer Common Facilities equivalent to its percentage entitlement to the total output from all units constructed (based on its ownership interest in each unit and the units' nominal ratings).

No Warranties by GPC. Each Ownership Agreement contains a provision to the effect that GPC makes no representation or warranty as to, among other things, the value, quality, condition, saleability, merchantability, fitness or suitability for use of the applicable facilities, and that GPC makes no representation or warranty that the use or operation of such facilities will not violate patent, trademark or service mark rights of any third parties. However, MEAG Power has the benefit under the Ownership Agreements, in proportion to its interest in such facilities, of all manufacturers' and vendors' warranties and all patent, trademark and service mark rights running to GPC in connection therewith.

See "SUMMARY OF VOGTLE UNITS 3&4 PROJECT AGREEMENTS – Vogtle Units 3&4 Ownership Agreement" for a summary of the provisions of the Vogtle Units 3&4 Ownership Agreement in APPENDIX L to the Annual Information Statement.

Summary of Operating Agreements

The Operating Agreements give GPC, as agent, sole authority for the management, control, maintenance and operation of Plant Hatch, Plant Wansley, Plant Scherer Unit Nos. 1 and 2 and the Plant Scherer Common Facilities and provide for the use of capacity and energy from such facilities and the sharing of the costs thereof by the parties thereto in accordance with their respective interests. For a summary of the Vogtle Operating Agreement, see "SUMMARY OF VOGTLE UNITS 3&4 PROJECT AGREEMENTS – Vogtle Units 3&4 Ownership Agreement" in APPENDIX L to the Annual Information Statement.

MEAG Power's Entitlement to Output. With respect to availability of output, MEAG Power is entitled to a percentage of the net capacity and net energy output of each Plant or unit equal to its percentage undivided interest in such Plant or unit, subject to its obligation to sell capacity and energy to GPC as described below. GPC has sole authority for the scheduling and dispatching of generation from each Plant or unit. In the case of Plant Hatch and Plant Wansley, GPC follows its standard scheduling and dispatching procedures. Except as described in the next sentence, in the case of Plant Scherer Unit Nos. 1 and 2, GPC will schedule and dispatch the output of each unit for a specified period on a continuous economic dispatch basis in accordance with GPC's standard scheduling and dispatching procedures and will notify each of the co-owners in advance of such specified period of the estimated operating level for each unit based upon the economic dispatch of such unit; and any such co-owner may, under certain conditions, increase its entitlement to energy from any such unit up to a maximum of such co-owner's proportionate share of the energy which could be generated by such unit operating at its maximum practicable capability at any given time. As previously noted, under the amendments to the dispatching provisions of the Wansley and Scherer Operating Agreements, a co-owner of Plant Scherer Unit Nos. 1 and 2 and the units at Plant Wansley may independently dispatch the output of its share of such units under certain conditions. If GPC voluntarily ceases to operate, or reduces output, from Plant Hatch or

Plant Wansley because GPC has access to less expensive energy sources, GPC is required to make available to MEAG Power the amount of capacity and energy reasonably anticipated to have been available to MEAG Power from such Plant at a cost equal to the estimated cost to MEAG Power if such Plant were continued in operation at its maximum practicable operating level.

Responsibility for Operating Costs. Except as otherwise provided, each party is responsible for a percentage of Operating Costs (as defined) and fuel costs of each Plant or unit equal to the percentage of its undivided interest in such Plant or unit. GPC is required to furnish budgets for Operating Costs, fuel plans and scheduled maintenance plans. In the case of Plant Scherer Unit Nos. 1 and 2, Operating Costs and fuel costs are paid by the co-owners in proportion to their respective shares of the energy output of the units.

Sell-Back Arrangements with GPC. GPC was entitled to a declining fractional portion of MEAG Power’s capacity and energy from Plant Hatch Unit Nos. 1 and 2, from Plant Wansley Unit Nos. 1 and 2, from Plant Scherer Unit Nos. 1 and 2, and from Plant Vogtle Unit Nos. 1 and 2. Such sales by MEAG Power to GPC have been completed.

As previously noted, as of April 9, 1985 MEAG Power and GPC entered into the Amended Vogtle Units 1&2 Purchase Agreement to change certain provisions therein for the sale to GPC of output of MEAG Power’s Project One interest and Project Four interest in Vogtle Units 1&2.

For purposes of the capacity and energy sales to GPC under the Amended Vogtle Units 1&2 Purchase Agreement, MEAG Power’s 17.7 percent Project One interest in Vogtle Units 1&2 is divided into two components, (i) the “Project One Declining Portion,” which consists of 77.966 percent of MEAG Power’s Project One interest or a 13.80 percent interest in Vogtle Units 1&2; and (ii) the “Project One Long-Term Portion” which consists of the remaining 22.034 percent of MEAG Power’s Project One interest or a 3.90 percent interest in Vogtle Units 1&2. MEAG Power’s 5.0 percent Project Four interest in Vogtle Units 1&2 is also divided into two components, (i) the “Project Four Declining Portion,” which consists of 78.000 percent of MEAG Power’s Project Four interest or a 3.900 percent interest in Vogtle Units 1&2; and (ii) the “Project Four Long-Term Portion,” which consists of the remaining 22.000 percent of MEAG Power’s Project Four interest or a 1.100 percent interest in Vogtle Units 1&2. The Amended Vogtle Units 1&2 Purchase Agreement provides that sales will be made by MEAG Power to GPC from the Long-Term Portions of MEAG Power’s Project One and Project Four interests in Vogtle Units 1&2 generally in accordance with the following table (sales from the Declining Portions have been completed):

	Project One Interest	Project Four Interest	Total	% of Total Ownership
Declining Portion⁽¹⁾				
(a) First Year of Commercial Operation and Following Seven Years.....	13.800%	3.900%	17.700%	77.970%
Long-Term Portion⁽²⁾				
(b) First Month of Commercial Operation and Following 305 Months	3.015	0.850	3.865	17.030
(c) First Month of Commercial Operation and Continuing Until Retirement	<u>0.885</u>	<u>0.250</u>	<u>1.135</u>	<u>5.000</u>
Total Declining and Long-Term.....	17.700%	5.000%	22.700%	100.000%

⁽¹⁾ The declining sales from Vogtle Unit Nos. 1 and 2 are completed.

⁽²⁾ Percentages shown have been rounded for presentation purposes. Actual percentages are slightly larger than the amounts shown in part (b) of the Long-Term Portion and slightly smaller than the amounts shown in part (c) of the Long-Term Portion.

Under the Amended Vogtle Units 1&2 Purchase Agreement, in the aggregate MEAG Power will sell to GPC approximately 20.37 percent and 20.35 percent, respectively, of the output and services of its Project One interest and Project Four interest in Vogtle Units 1&2 through 2024.

The percentage sales to GPC by MEAG Power from its Project One Long-Term Portion are (i) with respect to the 3.015 percent portion of MEAG Power's Project One interest in Vogtle Units 1&2 and the 0.850 percent portion of MEAG Power's Project Four interest in Vogtle Units 1&2, 100 percent of the output of such interests commencing with the month of commercial operation of Plant Vogtle Unit No. 1 or Plant Vogtle Unit No. 2, as the case may be, and continuing until the end of the 305th month following such month or months of commercial operation; and (ii) with respect to the 0.885 percent portion of MEAG Power's Project One interest and the 0.250 percent portion of MEAG Power's Project Four interest, 100 percent of the output of such interests commencing with the year of commercial operation of Plant Vogtle Unit No. 1 or Plant Vogtle Unit No. 2, as the case may be, and continuing until the later to occur of (x) the retirement of the applicable unit, or (y) the last principal installment of MEAG Power's Project One Senior Bonds and Project One Subordinated Bonds or Project Four Senior Bonds and Project Four Subordinated Bonds allocable to the Project One Long-Term Portion or the Project Four Long-Term Portion.

If the sell-back provisions of the Vogtle Units 1&2 Purchase Agreement would result in the purchase by GPC of more than 25 percent of the "subparagraph 5 output" (as that term was defined in United States Treasury Regulations when the Vogtle Units 1&2 Purchase Agreement was executed) of the facilities financed with a particular issue of Project One Senior Bonds under the Project One Resolution or General Resolution Projects Senior Bonds for Project Four Bonds under the General Resolution Projects Resolution, then the sales by MEAG Power from its Project One interest or Project Four interest, as the case may be, will be reduced to the extent necessary to result in no more than 25 percent of such subparagraph 5 output being purchased by GPC. Any such reduction would be made in the capacity and energy to be purchased from the Declining Portion or the Long-Term Portion, or both, and in the years, as MEAG Power and GPC shall agree at the time of such reduction.

With respect to the Project One Long-Term Portion and the Project Four Long-Term Portion, the price to be paid by GPC to MEAG Power for the percentage sales therefrom is to be equal to the costs of such portions including the cost of funds (as defined in the Vogtle Units 1&2 Purchase Agreement) and principal installments on MEAG Power's Project One Senior Bonds and Project One Subordinated Bonds or Project Four Senior Bonds and Project Four Subordinated Bonds allocable to such portions, depreciation expense on renewals and replacements paid from revenues, decommissioning costs, taxes or payments in lieu thereof, operation and maintenance costs and nuclear fuel costs.

In addition, upon the first to occur of the retirement from service of Plant Vogtle Unit No. 1 or Plant Vogtle Unit No. 2, as the case may be, or the payment of the last principal installment of MEAG Power's Project Four Senior Bonds and Project Four Subordinated Bonds allocable to such unit, MEAG Power is required to pay GPC 22.70 percent of the amounts in (or required to be in) the Decommissioning Account established under the General Resolution Projects Resolution that are applicable to such unit, and thereafter GPC shall be responsible for paying 22.70 percent, excluding fuel costs, of the Cost of Construction (which is defined in the Vogtle Units 1&2 Ownership Agreement and Vogtle Operating Agreement to include disposal costs) of MEAG Power's Project Four interest in such unit.

Commencing with the commercial operation date, GPC is required to take or pay for the respective required amounts of capacity and energy from the Project One and Project Four Long-Term Portions regardless of whether or not the output of Plant Vogtle Unit No. 1 or Plant Vogtle Unit No. 2, as the case may be, is thereafter suspended, interrupted, interfered with, reduced, curtailed or terminated in whole or in part. The term of the Vogtle Units 1&2 Purchase Agreement is the same as that contained in the Ownership Agreements and Operating Agreements except that such term may be extended until such

later time as all of MEAG Power's and GPC's obligations under the Vogtle Units 1&2 Purchase Agreement have been paid, performed or duly provided for.

Remedies. GPC's liability as agent under the Operating Agreements is limited by the terms thereof. Remedies against MEAG Power for failure to make any payments when due under the Operating Agreements includes the option to withhold MEAG Power's proportionate share of the capacity.

Summary of Agreements Relating to Integrated Transmission System

Integrated Transmission System Operation and Maintenance Agreements. MEAG Power and GPC entered into an Integrated Transmission System Operation and Maintenance Agreement, dated as of August 27, 1976, which gave GPC sole authority and responsibility to manage, operate and maintain the transmission system facilities owned by MEAG Power. Pursuant to notice given by MEAG Power, the Integrated Transmission System Operation and Maintenance Agreement was terminated on December 31, 1999, and was replaced by three agreements: (i) the Integrated Transmission System Operation Agreement, (ii) the Integrated Transmission System Maintenance Agreement (the "Maintenance Agreement"), and (iii) the Integrated Transmission System Inventory of Substation Spare Parts, Spare Substation Capital Equipment and Spare Transmission Line Equipment Agreement (the "Inventory Agreement"). All of these three agreements became effective on January 1, 2000. MEAG Power and GPC entered into a Revised and Restated Integrated Transmission System Operation Agreement (the "Operation Agreement"), effective as of January 1, 2009.

The Operation Agreement. Under the Operation Agreement, MEAG Power has appointed GPC as its agent for the management and operation of MEAG Power's transmission system facilities. With specified notice to the agent, MEAG Power may manage and operate certain transmission system facilities described in the Operation Agreement. The revisions to the Operation Agreement that took effect on January 1, 2009, include: an extension of the term until December 31, 2011, with automatic two-year renewals thereafter; an increase in the advance notice of cancellation requirement, which notice must be given by either party at least twelve months, but not more than 24 months, prior to the date of cancellation; the addition of a specification of the parties' respective roles with respect to certain mandatory federal reliability standards that pertain to transmission systems; an additional indemnification for GPC in the event of claims arising out of GPC's compliance with such reliability standards; and a covenant that MEAG Power will not sue GPC for its performance with respect to such reliability standards except in certain specified circumstances. In the event the Operation Agreement is cancelled, MEAG Power would make other arrangements for the day-to-day operation of its transmission system facilities. However, cancellation of the Operation Agreement would not affect the ITS Agreement between MEAG Power and GPC. Certain of the Operation Agreement revisions enabled MEAG Power, with GPC's agreement and consent, to request that SERC Reliability Corporation relieve MEAG Power of a number of obligations in certain mandatory federal reliability standards pertaining to transmission systems. MEAG Power's request for relief is now posted on the website of the North American Electric Reliability Corporation with an effective date of November 10, 2009.

The Maintenance Agreement. Under the Maintenance Agreement, GPC maintains certain of MEAG Power's transmission system facilities. The specific facilities to be maintained for preventive and corrective purposes are identified in an Annual Facility Maintenance Schedule provided by MEAG Power to GPC 90 days prior to each Contract Year, and GPC provides MEAG Power with a monthly maintenance plan which may be modified during the Contract Year in the manner provided in the Maintenance Agreement. The Maintenance Agreement also authorizes GPC as agent for MEAG Power to perform emergency response to restore service, and switching services. The term of the Maintenance Agreement has renewed annually since 2002, with the current renewal term extending through December 31, 2010. Neither party has given the required twelve months' prior notice of cancellation to the other.

The Inventory Agreement. Under the Inventory Agreement, GPC maintains and manages an inventory of Spare Parts for the transmission system facilities of GPC and MEAG Power. The term of the Inventory Agreement is the same as the Maintenance Agreement.

Joint Committee Agreement

MEAG Power, GPC, OPC and Dalton are parties to a Joint Committee Agreement, dated as of August 27, 1976 (the “Joint Committee Agreement”), for the purpose of coordinating the implementation and administration of the various ITS agreements and ITS operation and maintenance agreements among the parties. The Joint Committee consists of two members from each party and the chairmanship of the Joint Committee rotates among the members of the parties. Any action taken by the Joint Committee must be pursuant to unanimous vote of all members present, provided each party has at least one member present, except that, in the implementation and administration of contracts, actions by the Joint Committee are by vote of members of parties who are signatories to such contracts.

The Nuclear Managing Board Agreement superseded the Joint Committee Agreement with respect to all matters affecting Plant Hatch and Vogtle Units 1&2. The Scherer Managing Board Agreement superseded the Joint Committee Agreement with respect to all matters affecting Plant Scherer.