

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

	September 30, 2008								September 30, 2007	
(in thousands)	Project One	General Resolution Projects	Combined Cycle Project	Trust Funds	Vogtle Expansion Projects	Eliminations	Total Electric Projects	Telecom and Business Units	Total	Total
ASSETS										
Property, plant and equipment - net	\$1,458,431	\$471,837	\$276,466	\$ -	\$ 804	\$ -	\$2,207,538	\$12,479	\$2,220,017	\$2,137,014
Other non-current assets	479,435	229,993	51,531	827,146	-	(198,065)	1,390,040	198	1,390,238	1,266,501
Current assets	362,246	121,918	56,621	193,914	24,095	(27,868)	730,926	3,922	734,848	697,891
Deferred debits	646,165	166,355	15,359	(529,447)	-	-	298,432	(4,630)	293,802	391,777
TOTAL ASSETS	\$2,946,277	\$990,103	\$399,977	\$491,613	\$24,899	\$(225,933)	\$4,626,936	\$11,969	\$4,638,905	\$4,493,183
LIABILITIES										
Long-term debt	\$2,342,638	\$875,416	\$363,771	\$ -	\$ -	\$(198,065)	\$3,383,760	\$ 8,495	\$3,392,255	\$3,343,103
Lease finance obligation	-	-	-	296,015	-	-	296,015	-	296,015	283,218
Other non-current liabilities	306,140	49,796	-	1,687	-	-	357,623	1,234	358,857	335,426
Current portion of long-term debt	140,323	40,550	12,825	-	-	-	193,698	600	194,298	163,501
Flexible trust funds held for Participants	-	-	-	137,422	-	-	137,422	-	137,422	124,385
Other current liabilities	157,176	24,341	23,381	56,489	24,899	(27,868)	258,418	1,640	260,058	243,550
TOTAL LIABILITIES	\$2,946,277	\$990,103	\$399,977	\$491,613	\$24,899	\$(225,933)	\$4,626,936	\$11,969	\$4,638,905	\$4,493,183

CONDENSED CONSOLIDATED STATEMENT OF NET REVENUES (UNAUDITED)

	Nine months ended September 30, 2008								Nine months ended September 30, 2007	
(in thousands)	Project One	General Resolution Projects	Combined Cycle Project	Trust Funds	Eliminations	Total Electric Projects	Telecom and Business Units	Total	Total	
Revenues:										
Participant ⁽¹⁾	\$275,512	\$125,322	\$46,774	\$ -	\$ -	\$447,608	\$5,449	\$453,057	\$449,719	
Other	71,730	30,804	25,985	-	(639)	127,880	103	127,983	111,606	
Total revenues	347,242	156,126	72,759	-	(639)	575,488	5,552	581,040	561,325	
Operating expenses	236,660	108,061	56,287	159	(639)	400,528	4,092	404,620	384,650	
Net operating revenues (loss)	110,582	48,065	16,472	(159)	-	174,960	1,460	176,420	176,675	
Net interest expense (income)	100,102	33,293	12,211	(16,904)	-	128,702	1,162	129,864	89,801	
Decrease in net costs to be recovered										
from future billings to Participants	10,480	14,772	4,261	16,745	-	46,258	298	46,556	86,874	
Total other expenses (income), net	110,582	48,065	16,472	(159)	-	174,960	1,460	176,420	176,675	
NET REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(1) Net of over-recovery of \$19.1 million and \$17.6 million for the nine months ended September 30, 2008 and 2007, respectively. These amounts are included in other current liabilities and may not be indicative of future results. The final 2007 over-recovery has been distributed to the Participants.

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 Municipal Competitive Trust and the Deferred Lease Financing Trust (Trust Funds), the Vogtle Expansion Projects, (collectively, the Electric Projects), the Telecommunications Project (Telecom), as well as the Distribution Services and the Marketing Services Business Units (Business Units), should be read in conjunction with MEAG Power's 2007 audited financial statements.

BUSINESS DESCRIPTION

The Municipal Electric Authority of Georgia (MEAG Power) exists for one primary reason: to generate and transmit reliable and economical wholesale electric power to our 49 Participants. We have addressed this requirement successfully in our more than three decades of service since being chartered by the Georgia General Assembly as a public power corporation. We provide power through our co-ownership of two nuclear and two coal-fired generating plants, sole ownership of a combined cycle facility, as well as ownership of over 1,300 miles of high voltage transmission lines and nearly 200 substations. MEAG Power also monitors and advocates on energy issues at the state and federal levels on behalf of our Participants. In addition, through separate business units, MEAG Power offers our Participants technical support, training, pricing strategies, joint purchasing, energy services, meter testing and economic development assistance.

MEAG Power is among the country's leading joint action agencies, with one of the most diversified fuel portfolios in the Southeast. We were also one of the first public power organizations to extend our power sales contracts, thus providing for the continued operation and financing of our generation and transmission assets in the most efficient manner.

As a public power enterprise, MEAG Power was created to serve our Participants. It is for their benefit, not shareholders', that we exist; it is their decisions at the local level that drive our long-term operations; and it is by combining their voices into one that we help protect their interests as energy policies and legislation are discussed and enacted.