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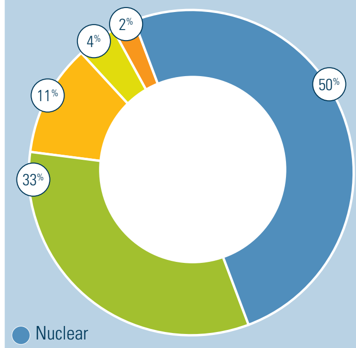
FIRST QUARTER REPORT

SUMMARY OF SELECTED FINANCIAL AND OPERATING DATA

(Dollars in thousands) Three months ended or as of March 31,	2016	2015	2014
Total revenues	$ 197,318	$ 143,486	$ 175,498
Total assets and deferred outflows of resources	$ 9,015,683	$7,792,841	$7,903,104
Weighted average interest cost [(1)]	4.12%	4.26%	4.37%
Total cost to MEAG Power Participants (cents per kWh) [(2)]	7.46	7.05	6.82
Peak demand (MW)	1,720	1,872	1,926

[(1)] Excludes the impact of other net interest 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)] Funds from the Municipal Competitive Trust were applied to lower the Participants' generation billings.

Delivered Energy by Source



61% Clean Emissions-Free through March 31, 2016

First Three Months' Performance

Revenue and Expense Analysis

Revenues: For the three months ended March 31, 2016, total revenues were $197.3 million compared with $143.5 million for the same period in 2015. Participant revenues and other revenues increased $46.4 million and $7.5 million, respectively.

Participant revenues increased due mainly to a $40.7 million decrease in deferred inflows of resources. This decrease was primarily related to a March 31, 2016, agreement between MEAG Power and a third party that terminated a long-term lease transaction and other related agreements prior to their expiration dates (Termination Agreement) pertaining to MEAG Power's undivided interest in Unit Nos. 1 and 2 of both Plant Scherer and Plant Wansley. (For additional information pertaining to the Termination Agreement, see Note 9, "Subsequent Events" of MEAG Power's 2015 audited financial statements.) A planned reduction of $3.8 million in fund transfers from the Municipal Competitive Trust applied to lower Participant billings in Project One (Competitive Trust Funding) also increased Participant revenues.

The increase in other revenues was due primarily to an increase of $6.7 million in contract energy sales under the Pseudo Scheduling and Services Agreement (PSSA).

Operating Expenses: Through March 31, 2016, operating expenses increased 36.7% to $192.4 million from $140.8 million for the same period in 2015. Other generating and operating expense increased $48.0 million due primarily to expenses totaling $42.3 million related to the Termination Agreement. An increase of $5.9 million in maintenance expense, mainly related to planned nuclear refueling outages, was partially offset by a $2.9 million decrease in PSSA purchases.

Total fuel expense increased $8.8 million due to increases in expenses of natural gas and nuclear fuel of $11.1 million and $3.0 million, respectively, which were partially offset by a $5.1 million decrease in coal expense. The increase in natural gas expense was due to a substantial increase in generation from the Combined Cycle Project (CC Project), as well as a reduction in margins on gas sales to third parties. These factors were partially offset by a 25% decrease in price. The increase in CC Project generation and a decrease in coal consumption (discussed below) were related to lower natural gas prices, which resulted in economic dispatch of natural gas resources before coal resources. Nuclear fuel expense increased due to higher on-site storage costs, which were partially offset by a 4% decrease in generation related to refueling outages, as well as a 2% decrease in amortization rates. The decrease in coal expense was due to an 18% decrease in consumption and a 9% decrease in price.

Interest Expense, Net: For the three months ended March 31, 2016, net interest 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 $33.2 million. This 11.1% increase from the total of $29.9 million for the same period in 2015 was due primarily to changes in these components of net interest expense:

- Interest expense increased $8.7 million due mainly to DOE Guaranteed Loans, as well as other debt issued in the second half of 2015.
- An increase of $8.4 million in investment income was due primarily to securities sold to partially fund the Termination Agreement.
- The fair value of financial instruments decreased $4.9 million due mainly to a reduction in certain investment balances related to the sale of securities mentioned above.
- Interest capitalized increased $3.9 million due primarily to additional capital investment in the Vogtle Units 3&4 Project Entities.

The weighted average interest rate of MEAG Power's debt was 4.12% and 4.26% for the three months ended March 31, 2016 and 2015, respectively, with the decrease primarily due to a lower average fixed rate, mainly attributable to DOE Guaranteed Loans, as well as other debt issued in the second half of 2015.

Operations

During the first three months of 2016, energy delivered to MEAG Power Participants decreased 2.9% from the same period in 2015 due to warmer winter weather in 2016 compared with 2015. As a result, heating degree hours decreased 14.2%. Total power cost to the Participants, including hydro energy purchased from the Southeastern Power Administration (SEPA), was 7.46 cents/kilowatt-hour (kWh) for the first three months of 2016 compared with 7.05 cents/kWh for the same period in 2015. The increase was mainly related to the decreases in Competitive Trust Funding and energy delivered, as well as a 10.5% increase in SEPA charges due to increased deliveries of hydro energy.

Condensed Consolidated Balance Sheet (Unaudited)

(In thousands)	March 31, 2016								March 31, 2015
	Project One	General Resolution Projects	Combined Cycle Project	Vogtle Units 3&4 Projects and Project Entities	Trust Funds	Telecom Project	Eliminations	**Total**	Total
Assets and Deferred Outflows of Resources									
Property, plant and equipment, net	$1,834,223	$673,617	$217,513	$2,271,688	$ –	$6,371	$ –	**$5,003,412**	$4,633,981
Other non-current assets	612,943	167,368	41,699	3,171,868	368,021	–	(1,442,470)	**2,919,429**	2,448,288
Current assets	414,790	128,085	43,489	144,242	266,775	1,020	(10,999)	**987,402**	604,877
Deferred outflows of resources	88,455	5,171	11,814	–	–	–	–	**105,440**	105,695
Total Assets and Deferred Outflows of Resources	$2,950,411	$974,241	$314,515	$5,587,798	$634,796	$7,391	$(1,453,469)	**$9,015,683**	$7,792,841
Liabilities and Deferred Inflows of Resources									
Long-term debt	$1,910,489	$583,474	$178,810	$4,088,024	$ –	$ –	$ (115,114)	**$6,645,683**	$5,282,087
Non-current liabilities	504,688	63,363	–	1,374,687	235,870	–	(1,327,356)	**851,252**	1,231,069
Current liabilities	405,412	158,403	67,493	125,087	398,926	120	(10,999)	**1,144,442**	1,022,315
Deferred inflows of resources	129,822	169,001	68,212	–	–	7,271	–	**374,306**	257,370
Total Liabilities and Deferred Inflows of Resources	$2,950,411	$974,241	$314,515	$5,587,798	$634,796	$7,391	$(1,453,469)	**$9,015,683**	$7,792,841

Condensed Consolidated Statement of Net Revenues (Unaudited)

(In thousands)	Three months ended March 31, 2016								Three months ended March 31, 2015
	Project One	General Resolution Projects	Combined Cycle Project	Vogtle Units 3&4 Projects and Project Entities	Trust Funds	Telecom Project	Eliminations	**Total**	Total
Revenues:									
Participant*	$ 97,014	$54,050	$18,850	$ –	$ –	$221	$ –	**$170,135**	$123,759
Other	13,789	9,462	3,908	–	–	24	–	**27,183**	19,727
Total revenues	110,803	63,512	22,758	–	–	245	–	**197,318**	143,486
Operating expenses	98,244	57,605	20,884	–	15,465	245	–	**192,443**	140,788
Net operating revenues (loss)	12,559	5,907	1,874	–	(15,465)	–	–	**4,875**	2,698
Interest expense (income), net	12,559	5,907	1,874	13,737	(889)	–	–	**33,188**	29,864
Change in net costs to be recovered from Participants or Competitive Trust obligations	–	–	–	(13,737)	(14,576)	–	–	**(28,313)**	(27,166)
Net Revenues	$ –	$ –	$ –	$ –	$ –	$ –	$ –	**$ –**	$ –

* Net of (under) over-recovery of $(6.5) million and $1.0 million for the three months ended March 31, 2016 and 2015, 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 Deferred Lease Financing Trust (Trust Funds) and the Telecommunications Project (Telecom Project), should be read in conjunction with MEAG Power's 2015 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 multi-billion 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.