

**Information Regarding Status of Construction
of Plant Vogtle Units 3 and 4**

January 29, 2015

The Municipal Electric Authority of Georgia (“MEAG Power”), together with Georgia Power Company (“GPC”), Oglethorpe Power Corporation (An Electric Membership Corporation) (“OPC”) and the City of Dalton, Georgia (“Dalton” and, together with MEAG Power, GPC and OPC, the “co-owners”), is participating in the development of two new nuclear generating units (“Plant Vogtle Units 3 and 4”) under construction at the Alvin W. Vogtle Electric Generating Plant located in Burke County, Georgia. GPC, which serves as agent for the co-owners in matters relating to the construction of Plant Vogtle Units 3 and 4, has been notified by Westinghouse Electric Company LLC and Stone & Webster, Inc. (the “Contractor”) of the Contractor’s revised forecast for completion of Plant Vogtle Units 3 and 4, which would delay the estimated in-service dates for Plant Vogtle Units 3 and 4 by 18 months to the second quarter of 2019 and the second quarter of 2020, respectively. GPC has not agreed to any changes to the guaranteed substantial completion dates of April 2016 and April 2017 for Plant Vogtle Units 3 and 4, respectively. GPC has reported that it does not believe that the Contractor’s revised forecast reflects all efforts that may be possible to mitigate the Contractor’s delay.

In addition, GPC has reported that it believes that, pursuant to the engineering, procurement and construction agreement among GPC, the other co-owners and the Contractor (the “EPC agreement”), the Contractor is responsible for the Contractor’s costs related to the Contractor’s delay (including any related construction and mitigation costs, which could be material) and that GPC and the other co-owners are entitled to recover liquidated damages related to substantial completion beyond April 2016 and April 2017 for Plant Vogtle Units 3 and 4, respectively. Each co-owner would continue to be responsible for its owner-related costs, including property taxes, oversight costs, compliance costs, and other operational readiness costs. GPC has reported that it expects to further address the matters related to cost and schedule described herein in the next semi-annual construction monitoring report for Plant Vogtle Units 3 and 4, which is scheduled to be filed with the Georgia Public Service Commission on February 27, 2015.

GPC has reported that, consistent with the Contractor's position in the pending litigation between the Contractor and the co-owners, GPC expects the Contractor to contest any claims for liquidated damages and to assert that GPC and the other co-owners are responsible for additional costs related to the Contractor's delay. The proposed delay, if it materializes, will cause MEAG Power to incur additional financing costs. MEAG Power believes that the cost savings that it anticipates (based upon current forecasted interest rates) under MEAG Power's current financing plan should mitigate a substantial portion of the additional financing costs that would result from this proposed delay.

It is not unexpected that a project of this magnitude and complexity has incurred issues resulting in potential schedule delays and resulting additional costs. Recognizing this risk, MEAG Power implemented a multi-faceted approach to funding the project which when combined with the current interest rate environment results in reduced financing costs allowing MEAG Power to continue to estimate that the cost of power delivered from Plant Vogtle Units 3 and 4 will remain substantially consistent with its recent cost projections for such power prior to incorporating the impacts of the proposed delay.

In addition, as construction continues, the risk remains that ongoing challenges with the Contractor's performance including additional challenges in its fabrication, assembly, delivery, and installation of the shield building and structural modules, delays in the receipt of the remaining permits necessary for the operation of Plant Vogtle Units 3 and 4, or other issues could arise and may further impact project schedule and cost. Additional claims by the Contractor or GPC (on behalf of itself and the other co-owners) are also likely to arise throughout construction. Any of the foregoing claims or disputes may be resolved through formal and informal dispute resolution procedures under the EPC agreement, but also may be resolved through litigation.

The ultimate outcome of this matter cannot be determined at this time.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this document is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning the revised forecast and

estimated costs related to Plant Vogtle Units 3 and 4, the potential mitigation of the Contractor's forecasted delay, and potential recovery of liquidated damages. MEAG Power cautions that there are certain factors that could cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of MEAG Power; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in MEAG Power's Annual Information Statement, dated May 2, 2014, for the Fiscal Year Ended December 31, 2013, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory changes, as well as changes in application of existing laws and regulations; current and future litigation, regulatory investigations, proceedings, or inquiries; available sources and costs of fuels; ability to control costs and avoid cost overruns during the development and construction of facilities, which includes the development and construction of facilities with designs that have not been finalized or previously constructed, including those risks identified above that have caused and may continue to cause cost increases and/or schedule extensions; ability to construct facilities in accordance with the requirements of permits and licenses and to satisfy any operational and environmental performance standards; advances in technology; regulatory approvals and actions related to Plant Vogtle Units 3 and 4, including Georgia Public Service Commission approvals required for GPC and Nuclear Regulatory Commission actions; and the ability of counterparties of MEAG Power to make payments as and when due and to perform as required. MEAG Power expressly disclaims any obligation to update any forward-looking information.

Other Matters

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