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Georgia Power

the southern electric system

D. O. Foster  
Vice President and General Manager  
Vogtle Project

February 9, 1984

Director of Nuclear Reactor Regulation  
Attention: Ms. E. G. Adensam, Chief  
Licensing Branch No. 4  
Division of Licensing  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

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NRC DOCKET NUMBERS 50-424 AND 50-425  
CONSTRUCTION PERMIT NUMBERS CPPR-108 AND CPPR-109  
VOGTLE ELECTRIC GENERATING PLANT - UNITS 1 AND 2  
PURCHASE, AMENDMENT, ASSIGNMENT AND  
ASSUMPTION AGREEMENT

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Dear Sir:

Georgia Power Company, acting on its own behalf and as agent for Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and the City of Dalton, Georgia, hereby submits the Alvin W. Vogtle Nuclear Units Numbers 1 and 2 Purchase, Amendment, Assignment and Assumption Agreement between Georgia Power Company and the Municipal Electric Authority of Georgia.

Should you have any questions about this agreement, please inquire.

Yours truly,

D. O. Foster

DOF:js

cc: R. A. Thomas  
D. E. Dutton  
O. Batum  
J. A. Bailey  
L. T. Gucwa  
G. F. Trowbridge  
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ALVIN W. VOGTLE NUCLEAR UNITS  
NUMBERS ONE AND TWO

PURCHASE, AMENDMENT, ASSIGNMENT AND ASSUMPTION AGREEMENT

between

GEORGIA POWER COMPANY

and

MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA

Dated as of November 16, 1983

ALVIN W. VOGTLE NUCLEAR UNITS

NUMBERS ONE AND TWO

PURCHASE, AMENDMENT, ASSIGNMENT AND ASSUMPTION AGREEMENT

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#### Exhibits

- Exhibit A -- MEAG's Participants
- Exhibit B -- Form of General Warranty Deed  
                    and Bill of Sale
- Exhibit C -- Form of General Assignment and Bill  
                    of Sale
- Exhibit D -- Plant Vogtle Site
- Exhibit E -- Form of Release from GPC's  
                    Indenture

THIS PURCHASE, AMENDMENT, ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Purchase Agreement"), dated as of November 16, 1983, is between GEORGIA POWER COMPANY, a corporation organized and existing under the laws of the State of Georgia ("GPC"), and the MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA, a public body corporate and politic and an instrumentality of the State of Georgia ("MEAG").

W I T N E S S E T H:

A. GPC, MEAG, Oglethorpe Power Corporation (An Electric Membership Generation & Transmission Corporation) (formerly known as Oglethorpe Electric Membership Corporation) ("OPC") and the City of Dalton, Georgia ("Dalton") have previously entered into that certain Alvin W. Vogtle Nuclear Units Numbers One and Two Purchase and Ownership Participation Agreement, dated as of August 27, 1976, as amended by Amendment Number One thereto, dated as of January 18, 1977, and by Amendment Number Two thereto, dated as of February 24, 1977 (the "Ownership Agreement"), to provide for the sale by GPC to OPC, MEAG and Dalton of 30.0%, 17.7% and 1.6% undivided ownership interests, respectively, as tenants in common with each other and GPC in the two 1150 MWe maximum rated nuclear generating units to be known as Alvin W. Vogtle Nuclear Units Numbers One

and Two to be located near Waynesboro in Burke County, Georgia (individually "Vogtle Unit No. 1" and "Vogtle Unit No. 2", and collectively "Plant Vogtle"), as more particularly described and defined in the Ownership Agreement, and to provide for the ownership rights and obligations of GPC, OPC, MEAG and Dalton in Plant Vogtle; and GPC, OPC, MEAG and Dalton have previously entered into that certain Alvin W. Vogtle Nuclear Units Numbers One and Two Operating Agreement, dated as of August 27, 1976 (the "Operating Agreement"), to provide for the sole authority for the management, control, operation and maintenance of Plant Vogtle in all respects not covered by the Ownership Agreement and for the entitlement and use of capacity and energy from Plant Vogtle and the sharing of the costs thereof.

B. By this Purchase Agreement, GPC and MEAG intend to provide for the purchase by MEAG from GPC of an additional 5% undivided ownership interest in Plant Vogtle ("MEAG's Additional Ownership Interest" or "Project Four Interest") being financed as an additional project in accordance with the provisions of MEAG's General Power Revenue Bond Resolution adopted and readopted by MEAG on March 22, 1978 and April 19, 1978, respectively (the "General Resolution"), which, together with MEAG's existing 17.7% undivided ownership interest in Plant Vogtle ("MEAG's Existing Ownership Interest" or "Project One Interest") being financed as part

of a project in accordance with the provisions of MEAG's Power Revenue Bond Resolution adopted by MEAG on August 30, 1976 (the "Resolution"), are collectively referred to herein as "MEAG's Total Ownership Interest", and to provide for the ownership rights and obligations, the management, control, operation and maintenance, the entitlement and use of capacity and energy and the sharing of the costs thereof with respect to MEAG's Additional Ownership Interest and with respect to MEAG's Existing Ownership Interest to be governed by the provisions of the Ownership Agreement and the Operating Agreement except as amended by, as inconsistent with or as supplemented by the provisions hereof.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, GPC and MEAG hereby agree and hereby amend the Ownership Agreement and the Operating Agreement as follows:

1. Definition of Certain Terms. All terms defined in the Ownership Agreement, the Operating Agreement, or both, and used in this Purchase Agreement shall, except as specifically provided in this Purchase Agreement, have the same meaning as in the Ownership Agreement, the Operating Agreement, or both.

2. Representations and Warranties.

- (a) MEAG Representations and Warranties. MEAG hereby represents, warrants and covenants to GPC as follows:

(i) MEAG is a public body corporate and political and an instrumentality of the State of Georgia duly organized, validly existing and in good standing under the laws of the State of Georgia and has the requisite power and authority to own MEAG's Total Ownership Interest, to execute and deliver this Purchase Agreement, to perform its obligations hereunder, under the Ownership Agreement (except as amended or supplemented hereby or inconsistent herewith) and under the Operating Agreement (except as amended or supplemented hereby or inconsistent herewith) and to conduct its operations as they are now being conducted and are contemplated hereunder, under the Ownership Agreement and under the Operating Agreement to be conducted in the future.

(ii) MEAG has entered into contracts with the forty-seven political subdivisions listed on Exhibit A attached hereto and made a part hereof under which MEAG is the sole and exclusive bulk power supplier for each such political subdivision, except that such contracts for bulk power supply exclude (1) allotments of power to which such political subdivisions are entitled from Federally-owned projects and (2) any generation and transmission sources owned by any such political subdivisions on March 1, 1976, and except that such contracts allow acquisition of alternative sources of power supply upon specified conditions,



but in any event each of such political subdivisions is obligated to pay for its share of the costs of Plant Vogtle as provided therein. MEAG and each of such forty-seven political subdivisions have the requisite power and authority to enter into, execute, deliver and perform their obligations under the respective contract between MEAG and the respective political subdivision, each of such contracts has been duly and validly authorized by all requisite action by each of the parties thereto, each of such contracts has been duly and validly executed and delivered by the parties thereto, and each of such contracts constitutes the legal, valid and binding obligation of the respective parties thereto, enforceable against such parties in accordance with the terms thereof. MEAG has delivered to GPC a true and complete copy of the form of such contracts. MEAG shall not terminate, materially change, waive any right created by or fail to enforce such contract with any such political subdivision without the prior written consent of GPC.

(iii) The execution, delivery and performance of this Purchase Agreement by MEAG have been duly and effectively authorized by all requisite action by MEAG. This Purchase Agreement has been duly and validly executed and delivered by MEAG and constitutes the legal, valid and



binding obligation of MEAG enforceable against it in accordance with the terms hereof, of the Ownership Agreement and of the Operating Agreement.

(b) GPC Representations and Warranties. GPC hereby represents and warrants to MEAG as follows:

(i) GPC is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia and has corporate power and authority to own such percentage undivided ownership interest in Plant Vogtle as is contemplated by this Purchase Agreement and to carry on its business as it is now being conducted and as it is contemplated hereunder, under the Ownership Agreement and under the Operating Agreement to be conducted in the future.

(ii) The execution, delivery and performance of this Purchase Agreement by GPC have been duly and effectively authorized by all requisite corporate action. This Purchase Agreement has been duly and validly executed and delivered on behalf of GPC and constitutes the legal, valid and binding obligation of GPC enforceable against it in accordance with the terms hereof, of the Ownership Agreement and of the Operating Agreement.

3. Sale of Undivided Ownership Interest in Completed Portion of Plant Vogtle.

(a) Sale of Assets. Subject to the terms and conditions of this Purchase Agreement, at the "Closing" (as

hereinafter defined), GPC will sell and convey to MEAG, and MEAG will purchase from GPC, MEAG's Additional Ownership Interest as a tenant in common with GPC and the other Participants in that portion of Plant Vogtle acquired, constructed or completed prior to the Closing. Such conveyance will be by (1) General Warranty Deed and Bill of Sale, substantially in the form of Exhibit B attached hereto and made a part hereof, conveying such undivided ownership interest as a tenant in common in the land described on Exhibit D-1 attached hereto and made a part hereof and certain real and personal property situated thereon and (2) Assignment and Bill of Sale, substantially in the form of Exhibit C attached hereto and made a part hereof, conveying the undivided ownership interest as a tenant in common in those interests in the land described on Exhibit D-2 attached hereto and made a part hereof and certain personal property situated thereon. At the Closing, GPC will furnish to MEAG a properly executed release from any and all mortgages and deeds to secure debt on MEAG's Additional Ownership Interest being conveyed to MEAG, substantially in the form of Exhibit E attached hereto and made a part hereof.

The deed attached hereto as Exhibit B shall contain the following language:

The parties hereto have entered into that certain Alvin W. Vogtle Nuclear Units Numbers One and

Two Purchase, Amendment, Assignment and Assumption Agreement, dated as of November 16, 1983 (the "Purchase Agreement"), and the parties hereto have previously entered into that certain Alvin W. Vogtle Nuclear Units Numbers One and Two Purchase and Ownership Participation Agreement dated as of August 27, 1976, as amended by Amendment Number One thereto, Amendment Number Two thereto and the Purchase Agreement (the "Ownership Agreement"), and pursuant to the provisions of the Purchase Agreement, MEAG has assumed certain additional obligations under the Ownership Agreement. The Ownership Agreement and the Purchase Agreement, as they may be amended from time to time, govern the ownership by the parties hereto of the property which is the subject of this conveyance, and set forth, among other things, obligations on each of their parts with respect to improvements which are required by the Ownership Agreement and the Purchase Agreement to be made on said property. Copies of the Ownership Agreement and the Purchase Agreement are attached hereto as Exhibit D and Exhibit E, respectively. The terms "Cost of Construction" and "Plant Vogtle" as used in this deed shall have the same meaning assigned to them in the Ownership Agreement and the Purchase Agreement. GPC and MEAG, for themselves and for their successors in

title, hereby covenant and agree, which covenant and agreement shall be a covenant running with the land and binding on the successors in title of the parties as well as on the parties themselves, that in the event any party hereto or any successor in title to the interest of any party hereto does not pay any amount it is obligated by the Ownership Agreement and the Purchase Agreement to pay toward the Cost of Construction, then the entitlement to the output of capacity and energy of Plant Vogtle of the parties hereto and their successors in title shall be as set forth in Sections 5(i)(i), 5(i)(iii), 5(i)(v) and 5(i)(vii) of the Ownership Agreement, which sections are hereby specifically incorporated herein by reference. The foregoing covenant shall not be binding upon GPC or its successors in title (except upon the release of its or their interest from the lien of the Indenture hereinafter referred to), if the same would constitute a default by GPC under that certain Indenture between GPC and the New York Trust Company, Trustee, dated as of March 1, 1941, as amended and supplemented through the date hereof, or would cause the interest held by GPC in Plant Vogtle pursuant to the Ownership Agreement to fail to qualify as property additions required for the issuance of first mortgage bonds and other purposes under said Indenture.

(b) Purchase Price and Payment.

(i) The purchase price for MEAG's Additional Ownership Interest in that portion of Plant Vogtle acquired, constructed or completed prior to the Closing shall be an amount equal to the sum of (A) 5% of all Cost of Construction incurred prior to the Closing, (B) "Carrying Costs" (as hereinafter defined) with respect to (A) above, and (C) \$27,500,000 (subject to adjustment as provided in Section 3(b)(iv) hereof), which purchase price shall be payable as hereinafter described.

(ii) For the purpose of this Section 3(b), "Carrying Costs" shall mean the aggregate incremental dollar cost of "Long Term Debt" (as hereinafter defined) incurred by GPC prior to the Closing with respect to that portion of Plant Vogtle acquired, constructed or completed prior to the Closing. Carrying Costs shall be calculated as follows:

For any particular time, the cost of "Long Term Debt" shall be the effective cost of the most recent issue of GPC's first mortgage bonds at such time; and for any month in which first mortgage bonds were issued, the cost of Long Term Debt for such month shall be the effective cost of the first mortgage bonds issued during that month.

Beginning with the month in which GPC initially incurred any Cost of Construction and for each month thereafter through the date of the Closing, Carrying Costs shall



be computed for such month for the aggregate Cost of Construction incurred through the end of such month (on the basis that all expenditures made in any month shall be deemed to have been made on the first day of such month) by multiplying the aggregate of such Cost of Construction by the cost of Long Term Debt for such month. Accumulated Carrying Costs shall be compounded monthly at the rate for each month which is the cost of Long Term Debt for such month. Such Carrying Costs added to the Cost of Construction shall cease at Closing.

(iii) Prior to the Closing, GPC shall furnish MEAG a statement showing the estimated aggregate "Closing Purchase Price" (as hereinafter defined) through the date of the Closing of MEAG's Additional Ownership Interest in Plant Vogtle broken down into major categories. Such statement shall also include a certificate stating that GPC keeps its books in conformity with the Uniform System of Accounts and that such estimated aggregate Closing Purchase Price is as recorded in the books of GPC (except as inconsistent with the provisions of this Section 3(b)) and is attributable to Plant Vogtle; provided, however, that such estimated aggregate Closing Purchase Price is subject to adjustment based upon the actual Cost of Construction and Carrying Costs incurred through the date of the Closing, and the Deferred Purchase Price (as hereinafter



defined) shall be subject to adjustment based on the actual commercial operation dates of Vogtle Unit No. 1 and Vogtle Unit No. 2.

(iv) Those amounts of the purchase price for MEAG's Additional Ownership Interest in Plant Vogtle acquired, constructed or completed prior to the Closing which are specified in clauses (A) and (B) of Section 3(b)(i) hereof and \$10,000,000 of the amount specified in clause (C) of Section 3(b)(i) hereof (collectively, the "Closing Purchase Price") shall be payable to GPC at the Closing in immediately available funds. Within a reasonable time after the Closing, GPC will provide to MEAG an accounting of the Closing Purchase Price paid by MEAG for MEAG's Additional Ownership Interest, broken down into major categories and supported by detail reasonably adequate for the purpose of MEAG's review thereof. MEAG shall have the right after the Closing (and again after the receipt by MEAG of an accounting by GPC of the Closing Purchase Price), at its own cost, to audit the books and records of GPC. GPC and MEAG shall have until the one hundred eightieth day after the Closing or after the furnishing of an accounting by GPC of such Closing Purchase Price, whichever is later, to question or contest the correctness of the Closing Purchase Price paid by MEAG

pursuant to this Section 3(b) after which time the correctness of such Closing Purchase Price shall be conclusively presumed.

That portion of the purchase price specified in clause (C) of Section 3(b)(i) hereof which is not to be paid at the Closing (\$17,500,000, the "Deferred Purchase Price") shall be paid by MEAG to GPC in eight equal, consecutive annual installments of \$1,093,750 each on the date of Commercial Operation of Vogtle Unit No. 1 and each anniversary thereof, and in eight equal, consecutive annual installments of \$1,093,750 each on the date of Commercial Operation of Vogtle Unit No. 2 and each anniversary thereof. From and after Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, the payment of the installments of the Deferred Purchase Price attributable to such unit shall be an unconditional obligation on the part of MEAG and shall be paid to GPC irrespective of whether such unit is then or is thereafter operating or operable. The amount of the Deferred Purchase Price includes interest at a simple rate of 9% per annum from December 1, 1983 until the estimated dates of Commercial Operation for Vogtle Unit No. 1 and Vogtle Unit No. 2, which are March 1, 1987 and September 1, 1988, respectively. In the event that the actual date of Commercial Operation of either or both of Vogtle Unit No. 1 or Vogtle Unit No. 2 is earlier or later than the estimated

date of Commercial Operation for such unit, the amount of the annual installment payments of the Deferred Purchase Price attributable to that unit or units shall be increased or decreased, as appropriate, to reflect interest at such rate. GPC and MEAG shall have until the one hundred eightieth day after the due date for payment of each installment of the Deferred Purchase Price to question or contest the correctness of the amount of such installment after which time the correctness of the amount of such installment shall be conclusively presumed, but no such questioning or contest shall postpone the time at which MEAG is to pay each such installment. MEAG agrees that in the event that it should pay any one or more installments of the Deferred Purchase Price prior to the time such installment is due it will indemnify and hold GPC harmless from and against any and all adverse federal and state income tax consequences to GPC resulting from such prepayment.

MEAG shall establish and maintain separate subaccounts for recording payments to be made pursuant to item (C) of Section 3(b)(1) of this Purchase Agreement. Any calculations pursuant to Sections 7, 8 and 9 of this Purchase Agreement shall exclude such payments and any related debt service.

In the event of an error in calculation of the Closing Purchase Price or the Deferred Purchase Price (or any installment thereof), GPC and MEAG, as the case may be,

shall, following notice of such erroneous calculation from GPC or MEAG as provided in this Section 3(b) (iv) or Section 5(c) of the Ownership Agreement, within thirty (30) days reimburse GPC or MEAG, as the case may be, for the amount charged or failed to be charged in error. In the event of any failure of GPC or MEAG to make any payment or reimbursement under this Section 3(b) when due, the other party may resort to any or all of the remedies set forth in Section 5(i) of the Ownership Agreement.

(v) From time to time after the Closing, GPC and MEAG shall execute such other instruments of conveyance and transfer as may be necessary or appropriate to vest in MEAG its Additional Ownership Interest.

(c) Closing. The closing of the sale and transfer provided for in this Section 3 (the "Closing") will take place at 10:00 a.m., December 21, 1983, at the offices of Messrs. Troutman, Sanders, Lockerman & Ashmore, 1400 Candler Building, 127 Peachtree Street, Atlanta, Georgia; provided that, in the event MEAG has not successfully sold its revenue bonds or bond anticipation notes, or any combination thereof, in the amount provided in Section 12(o) hereof or all necessary judicial, governmental, regulatory and vendor approvals of the consummation of the transactions contemplated hereby have not been received by December 21, 1983, the Closing shall be postponed until

MEAG has successfully sold its revenue bonds or bond anticipation notes, or any combination thereof, in the amount provided in Section 12(o) hereof or until all such approvals have been received, but in no event shall the Closing be postponed later than March 31, 1984, unless mutually agreed to in writing by the parties hereto.

4. Assignment and Delegation to and Acceptance and Assumption by MEAG of Rights and Obligations Under the Ownership and Operating Agreements.

(a) Assignment of Rights, Delegation of Duties and Acceptance and Assumption Thereof by MEAG. Subject to the other provisions of this Purchase Agreement, and except as otherwise hereinafter provided in this Section 4, GPC hereby assigns all of its rights as a Participant (but not as agent) and delegates all of its liabilities, duties and obligations as a Participant (but not as agent) pursuant to the Ownership Agreement and the Operating Agreement to MEAG, effective as of the Closing, with respect to MEAG's Additional Ownership Interest in Plant Vogtle. MEAG hereby accepts such assignment of rights and assumes and promises to GPC and the other Participants that it will pay, perform and discharge all of such liabilities, duties and obligations, effective as of the Closing. MEAG hereby makes OPC and Dalton third party beneficiaries of all of MEAG's covenants and obligations under this Purchase Agreement, and further agrees that its rights and obligations with respect



to Plant Vogtle, including without limitation, all matters pertaining to the planning, licensing, design, construction, acquisition, completion, management, control, operation, maintenance, renewal, addition, replacement, modification and disposal thereof, the entitlement and use of capacity and energy therefrom and the sharing of the costs thereof shall be governed by the provisions of the Ownership Agreement and the Operating Agreement except as inconsistent with or amended or supplemented by the provisions of this Purchase Agreement.

(b) Exception of Certain Matters.

Notwithstanding the provisions of Section 4(a) hereof:

(i) The provisions of Section 4(c)(ii) of the Ownership Agreement shall not apply with respect to MEAG's Additional Ownership Interest, and in lieu thereof the following shall apply with respect to MEAG's Additional Ownership Interest:

GPC shall not fail to complete, and shall not delay completion of, Plant Vogtle because (1) it does not, as a Participant, need the capacity and energy associated with a unit of Plant Vogtle without approval of Participants owning not less than an aggregate 85% undivided ownership interest in Plant Vogtle, (2) it has, as a Participant, more economical capacity and energy available to it from some other source but one or more of the other Participants



do not, without approval of Participants owning not less than an aggregate 85% undivided ownership interest in Plant Vogtle, and in determining whether or not such capacity and energy is more economical to each of the Participants the costs of carrying their respective investments and any increase in the Cost of Construction occasioned by the delay of completion shall be taken into account, (3) it has, as agent or as a Participant, made adverse distinction between Plant Vogtle and any other generating unit in which it has an interest because of its co-ownership of Plant Vogtle with the other Participants, (4) it has ceased, under the provisions of Section 5(i) of the Ownership Agreement, to be a Participant, or (5) it intends to put any other Participant at a disadvantage in relation to GPC. In the event GPC fails to comply at any time with the provisions of the preceding sentence, the other Participants may (x) remove GPC as agent pursuant to the provisions of Section 4(c)(i) of the Ownership Agreement or (y) pursue remedies, if any, available to them at law or equity or (z) both (x) and (y).

(ii) The dates which appear in Sections 4(c)(i) and 4(h) of the Ownership Agreement shall not apply and in lieu thereof such dates are March 1, 1987, and September 1, 1988, for Vogtle Unit No. 1 and Vogtle Unit No. 2, respectively.

5. Payments to be Made Following the Closing.

Following the Closing, MEAG shall pay its proportionate share of Cost of Construction, Fuel Costs and Operating Costs incurred after the Closing pursuant to the provisions of the Ownership Agreement and the Operating Agreement, which proportionate share shall be equivalent to MEAG's percentage undivided ownership interest in Plant Vogtle at the time such Cost of Construction, Fuel Costs and Operating Costs are incurred, and the first of such payments by MEAG with respect to MEAG's Additional Ownership Interest shall be made at the Closing.

6. Deletion of Section 3(h) of the Operating Agreement. Section 3(h) of the Operating Agreement is hereby deleted in its entirety, effective as of the Closing hereunder, and the provisions of Sections 7, 8 and 9 herein shall, from and after the Closing, govern the rights of the parties with respect to GPC's entitlement to MEAG's capacity and energy from its Existing Ownership Interest (Project One Interest) and Additional Ownership Interest (Project Four Interest) in Vogtle Unit No. 1 and Vogtle Unit No. 2, and GPC's payment obligations with respect thereto.

7. GPC Entitlement to MEAG Capacity and Energy from its Project One Interest in Vogtle Unit No. 1 and Vogtle Unit No. 2. MEAG will sell to GPC and GPC will buy from MEAG capacity and energy from MEAG's Project One Interest

in Vogtle Unit No. 1 and in Vogtle Unit No. 2 in accordance with this Section 7. For purposes of Sections 7, 8 and 9 hereof, MEAG's "Project One Interest" in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall be a 17.7% undivided ownership interest in such unit divided into two components: (i) the "Project One Declining Portion", which shall consist of 77.966% of MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or a 13.80% undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be; and (ii) the "Project One Long Term Portion" which shall consist of the remaining 22.034% of MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or a 3.90% undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be. The capacity and energy purchased and sold as the Project One Declining Portion shall be purchased and sold in accordance with subsection (a) of this Section 7, and the capacity and energy purchased and sold as the Project One Long Term Portion shall be purchased and sold in accordance with subsection (b) of this Section 7.

(a) Project One Declining Portion. MEAG will sell to GPC and GPC will buy from MEAG a percentage of the capacity and energy from the Project One Declining Portion of each unit of Plant Vogtle in accordance with the following schedule:

Percentage of Capacity and  
Energy from the Project One  
Declining Portion of Vogtle  
Unit No. 1 and Vogtle Unit  
No. 2 to which GPC is Entitled

Calendar Year

That portion of the  
calendar year remaining  
after the Commercial  
Operation date of  
Vogtle Unit No. 1 or  
Vogtle Unit No. 2, as  
the case may be,  
through the end of the  
first full calendar  
year following the  
Commercial Operation  
date of Vogtle Unit No.  
1 or Vogtle Unit  
No. 2, as the case may be.

50%

Second and third full  
calendar years following  
the Commercial Operation  
date of Vogtle Unit No.  
1 or Vogtle Unit No. 2,  
as the case may  
be.

37.5%

Fourth and fifth full  
calendar years following  
the Commercial Operation  
date of Vogtle Unit No.  
1 or Vogtle Unit No. 2,  
as the case may  
be.

25%

Sixth and seventh full  
calendar years following  
the Commercial Operation  
date of Vogtle Unit No.  
1 or Vogtle Unit No. 2,  
as the case may  
be.

12.5%

(b) Project One Long Term Portion. In addition to the foregoing, MEAG will sell to GPC and GPC will buy from MEAG the following percentages of the capacity and energy from the Project One Long Term Portion of Vogtle Unit No. 1 and Vogtle Unit No. 2: (i) From and after the earlier of (A) the "Proposed Initial Commercial Operation Date" (as hereinafter defined) of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or (B) the commencement of Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, GPC will purchase and MEAG will sell to GPC 83.33% of the capacity and energy from the Project One Long Term Portion of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, until, in the case of each unit which achieves Commercial Operation, the end of the fourteenth full calendar year following the end of the partial calendar year during which such unit achieved Commercial Operation, at which time such purchase and sale shall be reduced to 55.56% of the capacity and energy from the Project One Long Term Portion of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, and such reduced purchases, or in the case of each unit, if any, which never achieves Commercial Operation, the purchase of 83.33% of such capacity and energy, shall continue until the later of (X) the retirement of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or (Y) the first to occur of the latest date stated for the timely payment of



the principal of "MEAG's Project One Bonds" (as herein-  
after defined) or provision being made for such payment in  
accordance with Section 1201 of MEAG's Resolution; and  
(ii) from and after the commencement of Commercial Opera-  
tion of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the  
case may be, GPC will purchase and MEAG will sell to GPC  
16.67% of the capacity and energy from the Project One  
Long Term Portion of Vogtle Unit No. 1 or Vogtle Unit  
No. 2, as the case may be, until the end of the fourteenth  
full calendar year following the end of the partial calen-  
dar year during which such unit achieved Commercial Opera-  
tion, at which time such purchase and sale shall be  
reduced to 11.11% of the capacity and energy from the  
Project One Long Term Portion of Vogtle Unit No. 1 or  
Vogtle Unit No. 2, as the case may be, and such reduced  
purchases shall continue until the later of (X) the  
retirement of Vogtle Unit No. 1 or Vogtle Unit No. 2, as  
the case may be, or (Y) the first to occur of the latest  
date stated for the timely payment of the principal of  
MEAG's Project One Bonds or provision being made for such  
payment in accordance with Section 1201 of MEAG's  
Resolution.

For the purposes of Sections 7, 8 and 9 hereof,  
the "Proposed Initial Commercial Operation Date" with  
respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the  
case may be, means March 1, 1987 for Vogtle Unit No. 1 and



September 1, 1988 for Vogtle Unit No. 2, or in each case such later date within the respective two years thereafter that such unit achieves Commercial Operation; provided, however, that in the case of each of Vogtle Unit No. 1 and Vogtle Unit No. 2, in the event that Commercial Operation of such unit has not been achieved within such two-year period, the Proposed Initial Commercial Operation Date for such unit can be extended for as long as an additional two years (and from time to time within said additional two-year period) in each case upon the good faith representation by GPC that such unit is scheduled to be completed and achieve Commercial Operation on a specified date within such additional two-year period; and provided further, however, in the event of cancellation of Vogtle Unit No. 1 or Vogtle Unit No. 2, or both, as the case may be, prior to Commercial Operation thereof, the Proposed Initial Commercial Operation Date shall be the later of the date of cancellation (but not later than the periods described above) or March 1, 1987 for Vogtle Unit No. 1 if Vogtle Unit No. 1 has been so cancelled and the later of the date of cancellation (but not later than the periods described above) or September 1, 1988 for Vogtle Unit No. 2 if Vogtle Unit No. 2 has been so cancelled.

For the purposes of Sections 7 and 9 hereof, the term "MEAG's Project One Bonds" means MEAG's Power

Revenue Bonds and Subordinated Bonds issued by MEAG under its Resolution, as supplemented and amended, for MEAG's Project One which are issued by MEAG for the purpose of financing, and are properly and reasonably allocable to, MEAG's Project One Interest.

(c) Twenty-Five Percent Limit. Notwithstanding the provisions of subsections (a) and (b) of this Section 7, if such provisions would result in the purchase by GPC of more than 25 percent of the "subparagraph 5 output", as such term is defined in Treasury Regulation Section 1.103-7(b)(5), of the facilities financed with a particular issue of bonds under the Resolution, then the sales by MEAG to GPC of capacity and energy from MEAG's Project One Interest pursuant to this Section 7 shall be reduced by such amount as is necessary to result in no more than 25 percent of said "subparagraph 5 output" being purchased by GPC. Any such reduction shall be made in the capacity and energy to be purchased from the Project One Declining Portion or the Project One Long Term Portion, or both, and in the years, as MEAG and GPC shall agree at the time of such reduction.

8. GPC Entitlement to MEAG Capacity and Energy from its Project Four Interest in Vogtle Unit No. 1 and Vogtle Unit No. 2. MEAG will sell to GPC and GPC will buy from MEAG capacity and energy from MEAG's Project Four Interest in Vogtle Unit No. 1 and Vogtle Unit No. 2 in accordance with this Section 8. For purposes of Sections 7, 8 and 9

hereof, MEAG's "Project Four Interest" in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall be a 5.0% undivided ownership interest in such unit divided into two components: (i) the "Project Four Declining Portion", which shall consist of 78.0% of MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or a 3.90% undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be; and (ii) the "Project Four Long Term Portion" in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, which shall consist of the remaining 22.0% of MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or a 1.10% undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be. Said capacity and energy purchased and sold as the Project Four Declining Portion shall be purchased and sold in accordance with subsection (a) of this Section 8, and said capacity and energy purchased and sold as the Project Four Long Term Portion shall be purchased and sold in accordance with subsection (b) of this Section 8.

(a) Project Four Declining Portion. MEAG will sell to GPC and GPC will buy from MEAG a percentage of the capacity and energy from the Project Four Declining Portion of each unit of Plant Vogtle in accordance with the following schedule:

<u>Calendar Year</u>	<u>Percentage of Capacity and Energy from the Project Four Declining Portion of Vogtle Unit No. 1 and Vogtle Unit No. 2 to which GPC is Entitled</u>
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That portion of the calendar year remaining after the Commercial Operation date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, through the end of the first full calendar year following the Commercial Operation date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be.

50%

Second and third full calendar years following the Commercial Operation date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be.

37.5%

Fourth and fifth full calendar years following the Commercial Operation date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be.

25%

Sixth and seventh full calendar years following the Commercial Operation date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be.

12.5%

(b) Project Four Long Term Portion. In

addition to the foregoing, MEAG will sell to GPC and GPC will buy from MEAG the following percentages of the capacity and energy from the Project Four Long Term Portion of Vogtle Unit No. 1 and Vogtle Unit No. 2:

(i) From and after the earlier of (A) the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or (B) the commencement of Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, GPC will purchase and MEAG will sell to GPC 83.33% of the capacity and energy from the Project Four Long Term Portion of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, until, in the case of each unit which achieves Commercial Operation, the end of the fourteenth full calendar year following the end of the partial calendar year during which such unit achieved Commercial Operation, at which time such purchase and sale shall be reduced to 55.56% of the capacity and energy from the Project Four Long Term Portion of Vogtle Unit No. 1 or Vogtle No. 2, as the case may be, and such reduced purchases, or in the case of each unit, if any, which never achieves Commercial Operation, the purchase of 83.33% of such capacity and energy, shall continue until the later of (X) the retirement of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or (Y) the first to occur of the latest date stated for the timely payment of the principal of "MEAG's Project Four Bonds" (as hereinafter defined) or provision being made for such payment in accordance with Section 1201 of MEAG's General Resolution; and (ii) from and after the commencement of Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit



No. 2, as the case may be, GPC will purchase and MEAG will sell to GPC 16.67% of the capacity and energy from the Project Four Long Term Portion of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, until the end of the fourteenth full calendar year following the end of the partial calendar year during which such unit achieved Commercial Operation, at which time such purchase and sale shall be reduced to 11.11% of the capacity and energy from the Project Four Long Term Portion of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, and such reduced purchases shall continue until the later of (X) the retirement of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or (Y) the first to occur of the latest date stated for the timely payment of the principal of MEAG's Project Four Bonds or provision being made for such payment in accordance with Section 1201 of MEAG's General Resolution.

For the purposes of Sections 8 and 9 hereof, the term "MEAG's Project Four Bonds" means MEAG's General Power Revenue Bonds and Subordinated Bonds issued by MEAG under its General Resolution, as supplemented and amended, for MEAG's Project Four which are issued by MEAG for the purpose of financing, and are properly and reasonably allocable to, MEAG's Project Four Interest.

(c) Twenty-Five Percent Limit. Notwithstanding the provisions of subsections (a) and (b) of this

Section 8, if such provisions would result in the purchase by GPC of more than 25 percent of the "subparagraph 5 output", as such term is defined in Treasury Regulation Section 1.103-7(b)(5), of the facilities financed with a particular issue of bonds under the General Resolution, then the sales by MEAG to GPC of capacity and energy from MEAG's Project Four Interest pursuant to this Section 8 shall be reduced by such amount as is necessary to result in no more than 25 percent of said "subparagraph 5 output" being purchased by GPC. Any such reduction shall be made in the capacity and energy to be purchased from the Project Four Declining Portion or the Project Four Long Term Portion, or both, and in the years, as MEAG and GPC shall agree at the time of such reduction.

9. GPC Payment Obligations With Respect to GPC Entitlement to MEAG Capacity and Energy. GPC shall make payments to MEAG in accordance with subsection (a) and other applicable subsections of this Section 9 for (i) GPC's purchase of capacity and energy from the Project One Declining Portion under Section 7(a) hereof and (ii) GPC's purchase of capacity and energy from the Project Four Declining Portion under Section 8(a) hereof. GPC shall make payments to MEAG in accordance with subsection (b) and other applicable subsections of this Section 9 for (i) GPC's purchase of capacity and energy from the Project One Long Term Portion under Section 7(b) hereof and (ii) GPC's

purchase of capacity and energy from the Project Four Long Term Portion under Section 8(b) hereof.

(a) Declining Portions. In respect of the sale to GPC of such capacity by MEAG from the Project One Declining Portion and Project Four Declining Portion pursuant to the provisions of Sections 7(a) and 8(a) hereof, during the first sixty (60) months following Commercial Operation of Vogtle Unit No. 1 or Vogtle No. 2, as the case may be, GPC shall pay to MEAG on the first business day of each month, commencing with the month in which Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, an amount equal to the product of (i) forty percent of GPC's estimated Annual Fixed Charge Rate (as hereinafter defined) with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable year plus sixty percent of MEAG's estimated Annual Fixed Charge Rate (as hereinafter defined) with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the same such year, and (ii) the applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, to which GPC is entitled as set forth in the schedules contained in Sections 7(a) and 8(a) hereof, multiplied by MEAG's estimated average beginning and year-end gross plant investment in the Project One

Declining Portion and in the Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, all divided by twelve; provided, however, that during that portion of the calendar year remaining after the Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, GPC's and MEAG's Annual Fixed Charge Rates as defined and used in this Section 9 shall be appropriately annualized and GPC's and MEAG's plant investments for such portion of the calendar year shall be GPC's or MEAG's plant investment in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, at the time of Commercial Operation of such unit plus GPC's or MEAG's plant investment in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, at the end of such calendar year, all divided by two.

In respect of the sale to GPC of such capacity by MEAG from the Project One Declining Portion and from the Project Four Declining Portion pursuant to the provisions of Sections 7(a) and 8(a) hereof, GPC shall pay to MEAG on the first business day of each month, commencing with the sixty-first month following Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, an amount equal to the product of (i) GPC's estimated Annual Fixed Charge Rate with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable year plus MEAG's estimated Annual Fixed Charge Rate with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the

case may be, for the same such year, and (ii) the applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, to which GPC is entitled as set forth in the schedules contained in Sections 7(a) and 8(a) hereof, multiplied by MEAG's estimated average beginning and year-end gross plant investment in the Project One Declining Portion and in the Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, all divided by twenty-four.

At the end of each calendar year of the schedules set forth in Sections 7(a) and 8(a) hereof, or more frequently, as the parties may agree, the aggregate of such monthly amounts paid by GPC to MEAG during such year shall be adjusted by substituting for such estimated Annual Fixed Charge Rates and investments the actual Annual Fixed Charge Rates and investments. GPC and MEAG each shall provide the other with information concerning such actual Annual Fixed Charge Rates and investments not later than May 31 following the end of each calendar year, and such adjustment shall be effected not later than June 30 following the end of each calendar year, or in each case, more frequently, as the parties may agree.

Once Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, has been achieved,



GPC shall pay MEAG, except as hereinafter provided, in accordance with the foregoing provisions of this Section 9(a) and in accordance with the provisions of Sections 9(c) and 9(d) hereof, whether or not the output of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, is thereafter suspended, interrupted, interfered with, reduced, curtailed or terminated in whole or in part. Notwithstanding the foregoing sentence, in the event that Vogtle Unit No. 1, Vogtle Unit No. 2, or both, has not operated commercially for a period of 365 consecutive days, then GPC's obligation to purchase capacity and energy from the Project One Declining Portion and from the Project Four Declining Portion in Vogtle Unit No. 1, Vogtle Unit No. 2, or both, shall be reduced commencing on the day following such 365 consecutive days and ending on the day such unit or units are again operated commercially. For any particular time referred to in the preceding sentence, such reduced obligation shall be equal to that portion of capacity and energy which GPC would be obligated to purchase under the schedules set forth in Sections 7(a) and 8(a) hereof if Commercial Operation of Vogtle Unit No. 1 had occurred during the year 1983, Commercial Operation of Vogtle Unit No. 2 had occurred during the year 1984, or both, and no such reduction shall extend the period in, or otherwise increase the quantities of capacity and energy of, which GPC is required to make purchases from MEAG under Sections 7(a) and 8(a) hereof.

In addition, if at any time the amount which GPC is required to pay to MEAG in respect of the sale by MEAG to GPC of a percentage of the capacity of the Project One Declining Portion and the Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, pursuant to the provisions of Sections 7(a) and 8(a) hereof, calculated in accordance with this Section 9(a) is (i) more than the product of (A) GPC's estimated Annual Fixed Charge Rate with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable year and (B) the applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, owned by MEAG to which GPC is entitled as set forth in the schedules contained in Sections 7(a) and 8(a) hereof, multiplied by the product of (C) the ratio which the Project One Declining Portion and the Project Four Declining Portion in Plant Vogtle bears to GPC's undivided ownership interest in Plant Vogtle and (D) GPC's estimated average beginning and year-end gross plant investment in its undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, all divided by twelve, or (ii) less than the product of (A) MEAG's estimated Annual Fixed Charge Rate with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable year and (B) the

applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, owned by MEAG to which GPC is entitled as set forth in the schedules contained in Sections 7(a) and 8(a) hereof, multiplied by (C) MEAG's estimated average beginning and year-end gross plant investment in the Project One Declining Portion and in the Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, all divided by twelve, then during the period that such condition exists, effective forthwith upon the delivery of written notice by GPC or MEAG to the other of the exercise of such right, in lieu of the amounts that GPC is to pay MEAG pursuant to either of the first two paragraphs of this Section 9(a), in respect of the sale of capacity by MEAG to GPC pursuant to the provisions of Sections 7(a) and 8(a) hereof, GPC shall pay to MEAG on the first business day of each month, commencing with the month following the month in which such written notice is delivered and continuing each month until such condition ceases to exist, an amount equal to the product of (A) GPC's estimated Annual Fixed Charge Rate with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable year, and (B) the applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion in Vogtle

Unit No. 1 or Vogtle Unit No. 2, as the case may be, to which GPC is entitled as set forth in the schedules contained in Sections 7(a) and 8(a) hereof, multiplied by (C) MEAG's estimated average beginning and year-end gross plant investment in the Project One Declining Portion and in the Project Four Declining Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, all divided by twelve; provided, however, that if the provisions of this paragraph are applicable during that portion of the calendar year remaining after Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, GPC's and MEAG's Annual Fixed Charge Rates as defined and used in this Section 9(a) shall be appropriately annualized, and GPC's and MEAG's plant investments for such portion of the calendar year shall be GPC's or MEAG's plant investment in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, at the time such unit achieves Commercial Operation plus GPC's or MEAG's plant investment in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, at the end of such calendar year, all divided by two. At the end of each calendar year during which the provisions of this paragraph shall be applicable, or more frequently, as the parties may agree, the aggregate of the monthly amounts paid by GPC to MEAG pursuant to this paragraph during such year shall be adjusted by substituting for GPC's and MEAG's estimated Annual Fixed Charge Rates and GPC's and MEAG's estimated investments, GPC's and MEAG's

actual Annual Fixed Charge Rates and GPC's and MEAG's actual investments. GPC and MEAG each shall provide the other with information concerning such actual investments and Annual Fixed Charge Rates, not later than May 31 following the end of each such calendar year, and such adjustment shall be effected not later than June 30 following the end of each such calendar year, or in each case, more frequently, as the parties may agree.

For the purposes of this Section 9, the "Annual Fixed Charge Rate" for GPC shall mean the aggregate of the annual dollar costs incurred by GPC with respect to its ownership of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, which such dollar costs shall be book depreciation (including a component for decommissioning such unit), ad valorem taxes and the cost of funds, including income taxes, for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, divided by GPC's average beginning and year-end gross plant investment in its undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be. The dollar cost of funds, including income taxes, shall be calculated as follows:

The capital structure of GPC as shown on the most recent of GPC's Quarterly Report on Form 10-Q or Annual Report on Form 10-K (or in the event such Reports cease to be required to be filed by GPC, such other report to a governmental agency



containing GPC's capital structure), at the time Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, goes into Commercial Operation, shall be calculated and broken down into three components the sum of which total one (1.00): (1) Long Term Debt, (2) Preferred Stock and (3) Common Equity. The cost of Long Term Debt, which shall be determined as of the date Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, goes into Commercial Operation, shall be the weighted average percent rate of first mortgage bonds issued during the construction of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, which shall be calculated by applying the annual percent interest rate of the most recent issue of first mortgage bonds prior to the incurrence of each capital expenditure on Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, multiplied by the Long Term Debt component of the capital structure determined above. The cost of Preferred Stock shall be the weighted average dividend percent rate of such stock, which shall be determined as of the date Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, goes into Commercial Operation, which such percent rate shall be calculated by applying the annual dividend percent rate of the most recent issue of

Preferred Stock prior to the incurrence of each capital expenditure on Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, multiplied by the Preferred Stock component of the capital structure determined above and divided by the then current Tax Factor (as hereinafter defined). The cost of Common Equity shall be the then most recent percent return allowed on equity by the Federal Energy Regulatory Commission (or the federal department or agency succeeding to the principal functions thereof) for sales to GPC's wholesale customers or such percent return submitted in a rate settlement with its wholesale customers (whichever is then most recent) multiplied by the Common Equity component of the capital structure determined above and divided by the then current Tax Factor. The Tax Factor shall be  $(1 - S)(1 - F)$  where  $S$  = the then current Georgia corporate income tax rate including any surcharges applicable thereto and  $F$  = the then current federal corporate income tax rate including any surcharges applicable thereto. The annual dollar cost of funds shall be the sum of the above determined percent rates for (1) Long Term Debt, (2) Preferred Stock and (3) Common Equity divided by 100 and multiplied by GPC's

average beginning and year-end net plant investment in its undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be.

For the purposes of this Section 9, the "Annual Fixed Charge Rate" for MEAG shall mean the sum of (i) seventy-eight percent (78%) of the "Annual Fixed Charge Rate for MEAG's Project One Interest" (as hereinafter defined), plus (ii) twenty-two percent (22%) of the "Annual Fixed Charge Rate for MEAG's Project Four Interest" (as hereinafter defined).

For the purposes of this Section 9, the "Annual Fixed Charge Rate" for MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall mean the aggregate of the annual dollar costs incurred by MEAG with respect to MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, divided by MEAG's average beginning and year-end gross plant investment in MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, which such dollar costs shall be:

- (i) The product of the applicable "Cost of Funds Rate" (as hereinafter defined) for MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, multiplied by MEAG's average beginning and year-end net plant investment in MEAG's Project One Interest in

Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be;

- (ii) Straight-line book depreciation of MEAG's gross plant investment in MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, computed over the estimated life of such unit;
- (iii) The annual amount which must be deposited by MEAG in the Decommissioning Account of the Reserve and Contingency Fund established under Section 510 of MEAG's Resolution for the retirement from service, decommissioning or disposal of MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be (in each case excluding nuclear fuel), less any portion of such annual amount which is in respect of funds previously withdrawn from such Account and less a credit for the amount of interest income from the investment of funds in such Account which funds are properly and reasonably allocable to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be (in each case excluding nuclear fuel); and
- (iv) Annual taxes or payments in lieu thereof, if any, paid by MEAG in respect of MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be (other than MEAG's investment in nuclear fuel).

For the purposes of this Section 9, the "Annual Fixed Charge Rate" for MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall mean the aggregate of the annual dollar costs incurred by MEAG with respect to MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, divided by MEAG's average beginning and year-end gross plant investment in MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, which such dollar costs shall be:

- (i) The product of the applicable Cost of Funds Rate for MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, multiplied by MEAG's average beginning and year-end net plant investment in MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be;
- (ii) Straight-line book depreciation of MEAG's gross plant investment in MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, computed over the estimated life of such unit;
- (iii) The annual amount which must be deposited by MEAG in the Decommissioning Account of the Reserve and Contingency Fund established under Section 510 of MEAG's General Resolution, as supplemented by the



Third Supplemental General Power Revenue Bond Resolution (the "Third Supplement", the final form of which MEAG has furnished to GPC), for the retirement from service, decommissioning or disposal of MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, (in each case excluding nuclear fuel) less any portion of such annual amount which is in respect of funds previously withdrawn from such Account and less a credit for the amount of interest income from the investment of funds in such Account which funds are properly and reasonably allocable to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be (in each case excluding nuclear fuel); and

- (iv) Annual taxes or payments in lieu thereof, if any, paid by MEAG in respect of MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be (other than MEAG's investment in nuclear fuel).

For purposes of this Section 9, (i) "Cost of Funds Rate" for MEAG's Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall be determined by (A) subtracting from that portion of the principal amount of each series of Project One Bonds or Project Four Bonds

which portion is properly and reasonably allocable to Vogtle Unit No. 1 or Vogtle Unit No. 2, as appropriate, the sum of (1) amounts deposited from the proceeds of such portion of Bonds into the Debt Service Reserve Account in the Debt Service Fund and into the Reserve Account in the Reserve and Contingency Fund established under the Resolution and the General Resolution, as appropriate, and (2) amounts, if any, paid in respect of such portion of Bonds for bond discount and debt issuance expense, as appropriate, and adding to the principal amount of such portion of Bonds, the applicable premium, if any, on such portion of Bonds, and dividing the respective balances so determined into the annual interest expense for the first twelve months following issuance on such portion of Bonds and (B) weighting the average of the results of the calculations in (A) above for the principal amounts of those portions of all series of Project One Bonds or Project Four Bonds, as appropriate, properly and reasonably allocable to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, which have been issued as of the time of any such calculation, excluding any Bonds which have been redeemed with the proceeds of other Bonds; provided, however, that in the event that MEAG should redeem any of its debt obligations or otherwise cause any of such debt obligations to cease to be outstanding prior to the time of the original stated maturity of such debt obligations and the same would have the effect of reducing

the Cost of Funds Rate, such lower Cost of Funds Rate shall apply; and provided further, that separate Cost of Funds Rates shall be determined for investment in Vogtle Unit No. 1 and Vogtle Unit No. 2 associated with MEAG's Project One Interest in each unit and its Project Four Interest in each unit; and provided further, that for the purpose of computing the foregoing Cost of Funds Rates there shall be excluded all principal of and interest on that portion of MEAG's debt obligations issued or being used by MEAG to finance nuclear fuel for Vogtle Unit No. 1, Vogtle Unit No. 2, or both; (ii) the "gross plant investment" of GPC in its undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall mean its total investment in such unit at the time it commences Commercial Operation (other than its investment in nuclear fuel), plus its investment thereafter, in accordance with the provisions of Section 9(e) hereof, in the cost of completions, renewals, additions, replacements and modifications to such unit (other than nuclear fuel), and shall be deemed to include one-half of its gross investment in all facilities common to Vogtle Unit No. 1 and Vogtle Unit No. 2; (iii) the "gross plant investment" of MEAG in MEAG's Project One Interest or MEAG's Project Four Interest, as the case may be, in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall mean its total investment in MEAG's Project One Interest or MEAG's Project Four Interest, as the case

may be, in such unit at the time it commences Commercial Operation (other than MEAG's investment in nuclear fuel and the payments made by MEAG pursuant to item (C) of Section 3(b)(i) of this Purchase Agreement), plus its investment thereafter, in accordance with the provisions of Section 9(e) hereof, in the cost of completions, renewals, additions, replacements and modifications to MEAG's Project One Interest or MEAG's Project Four Interest, as the case may be, in such unit (other than nuclear fuel), and shall be deemed to include one-half of its investment in MEAG's Project One Interest or MEAG's Project Four Interest, as the case may be, in all facilities common to Vogtle Unit No. 1 and Vogtle Unit No. 2; and MEAG's gross plant investment shall not include amounts in respect of MEAG's Bonds or Subordinated Bonds issued under its Resolution or Bonds or Subordinated Bonds issued under its General Resolution the proceeds of which were deposited in the Debt Service Reserve Account in the Debt Service Fund, the Operating Fund, the Reserve and Contingency Fund or the General Reserve Fund established under either of MEAG's Resolution or General Resolution; (iv) the "net plant investment" of GPC in its undivided ownership interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall mean its gross plant investment in such unit, less accumulated book depreciation (including a component for decommissioning such unit) and

accumulated deferred income tax, in each such case properly and reasonably allocable to such unit; and (v) the "net plant investment" of MEAG in MEAG's Project One Interest or MEAG's Project Four Interest, as the case may be, in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, shall mean its gross plant investment in MEAG's Project One Interest or MEAG's Project Four Interest, as the case may be, in such unit, less accumulated book depreciation, and accumulated amounts deposited into the Decommissioning Account in the Reserve and Contingency Fund established under MEAG's Resolution or MEAG's General Resolution, in each such case properly and reasonably allocable to MEAG's Project One Interest or MEAG's Project Four Interest, as the case may be, in such unit.

(b) Long Term Portions. In respect of the sale of such capacity by MEAG to GPC pursuant to the provisions of Sections 7(b) and 8(b) hereof, GPC shall pay to MEAG prior to the last business day of each month, (i) commencing with the month in which Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, or (ii) if earlier, in the case of those quantities of capacity which GPC is to purchase commencing with the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, pursuant to Sections 7(b) and 8(b) hereof, commencing with the month in which the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2,

as the case may be, occurs, an amount equal to the product of (A) MEAG's estimator's "Monthly Debt Service Requirements" (as hereinafter defined) with respect to Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable month, and (B) the applicable percentage of capacity and energy from MEAG's Project One Long Term Portion/Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, to which GPC is entitled for that month pursuant to Sections 7(b) and 8(b) hereof.

Once Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, has been achieved (in the case of those quantities of capacity and energy which GPC is to purchase from MEAG's Project One Long Term Portion and from MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, following Commercial Operation of such unit) and once the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, has occurred (in the case of those quantities of capacity and energy which GPC is to purchase from MEAG's Project One Long Term Portion and from MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, following the Proposed Initial Commercial



Operation Date of such unit), GPC shall pay MEAG in accordance with the provisions of subsections (b), (c) and (d) of this Section 9, whether or not the output of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, is thereafter suspended, interrupted, interfered with, reduced, curtailed or terminated in whole or in part.

For the purposes of this Section 9, the term "Monthly Debt Service Requirements" for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, means, for any particular month, the sum of (i) the amount of all payments for the retirement of principal on that portion of MEAG's Project One Bonds which is properly and reasonably allocable to MEAG's Project One Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, and on that portion of MEAG's Project Four Bonds which is properly and reasonably allocable to MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, in each case which MEAG is required to deposit into the Debt Service Accounts in the Debt Service Funds created under the Resolution and the General Resolution, respectively, plus (ii) the amounts of interest which are accrued that month by MEAG on that portion of MEAG's Project One Bonds which is properly and reasonably allocable to MEAG's Project One Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, and on that portion of MEAG's Project Four

Bonds which is properly and reasonably allocable to MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, except that the amount of such interest shall be computed by (A) multiplying the applicable Cost of Funds Rate for MEAG's Project One Interest times 0.78, (B) multiplying the applicable Cost of Funds Rate of MEAG's Project Four Interest times 0.22, and (C) multiplying the sum of (A) and (B) above times an amount equal to (1) that portion of the principal amount of MEAG's Project One Bonds outstanding on the last day of such month which is properly and reasonably allocable to MEAG's Project One Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, plus (2) that portion of the principal amount of MEAG's Project Four Bonds outstanding on the last day of such month which is properly and reasonably allocable to MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be; provided, however, that in no event shall the interest rate calculated by adding (A) and (B) above ever exceed in any month the Cost of Funds Rate for MEAG's Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be; and provided further that Monthly Debt Service Requirements in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for any particular month shall not include, in accordance with

Section 9(e) hereof, any principal of or interest on any of MEAG's bonds which are properly and reasonably allocable to completions, renewals, additions, replacements or modifications to MEAG's Project One Interest, MEAG's Project Four Interest, or both, in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, until the particular completion, renewal, addition, replacement or modification is completed and ready for commercial service at Plant Vogtle; and provided further that Monthly Debt Service Requirements for any particular month shall not include any principal of or interest on any of MEAG's bonds arising out of MEAG's payment of item (C) of Section 3(b)(i) of this Purchase Agreement; and provided further, that for the purposes of this Section 9(b) there shall be excluded from MEAG's Project One Bonds and from MEAG's Project Four Bonds all debt obligations issued by MEAG to finance nuclear fuel for Vogtle Unit No. 1, Vogtle Unit No. 2, or both.

During the first sixty (60) months of GPC's obligation to purchase capacity and energy from MEAG from Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, pursuant to Sections 7(b) and 8(b) hereof, there shall be subtracted for each month from Monthly Debt Service Requirements an amount equal to (i) those portions of the interest income earned by funds deposited in or interest income credited to (A) the Debt Service Account in the

Debt Service Fund established by the Resolution and (B) the Subordinated Bond Fund established by the Resolution, which portions shall be equal to the amount of all interest income so earned or credited to such Debt Service Account and such Subordinated Bond Fund which are properly and reasonably allocable to MEAG's Project One Long Term Portion, plus (ii) those portions of the interest income earned by funds deposited in or interest income credited to (A) the Debt Service Account in the Debt Service Fund for Project Four established by the General Resolution and (B) the Subordinated Bond Fund for Project Four established by the General Resolution, which portions shall be equal to the amount of all interest income so earned or credited to such Debt Service Account and such Subordinated Bond Fund which are properly and reasonably allocable to MEAG's Project Four Long Term Portion.

In addition, in respect of the sale of such capacity by MEAG to GPC pursuant to the provisions of Sections 7(b) and 8(b) hereof, GPC shall pay to MEAG prior to the last business day of each month, (i) commencing with the month in which Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, or (ii) if earlier, in the case of those quantities of capacity which GPC is to purchase commencing with the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, commencing with the month in which the Proposed

Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, an amount equal to the sum of (X), (Y) and (Z) below for such month, multiplied by the applicable percentage of capacity and energy from MEAG's Project One Long Term Portion/Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, to which GPC is entitled for that month pursuant to Sections 7(b) and 8(b) hereof, and from such product there shall be subtracted the sum of (A) the amount of interest income earned or accrued for that month by that portion of the funds on deposit in the Decommissioning Account of the Reserve and Contingency Fund for Project One, which portion of such funds is equal to the aggregate amount of payments theretofore made by GPC to MEAG pursuant to (Y) below and allocable to the Project One Long Term Portion, plus (B) the amount of interest income earned or accrued for that month by that portion of the funds on deposit in the Decommissioning Account of the Reserve and Contingency Fund for Project Four, which portion of such funds is equal to the aggregate amount of payments theretofore made by GPC to MEAG pursuant to (Y) below and allocable to the Project Four Long Term Portion:

- (X) The annual net amount, depreciated in accordance with the provisions of Section 9(e) hereof, which MEAG is required under its



Resolution and its General Resolution to pay for completions, renewals, additions, replacements or modifications from its revenues which is properly and reasonably allocable to MEAG's gross plant investment in MEAG's Project One Long Term Portion and MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, all divided by twelve;

- (Y) The annual amounts which must be deposited by MEAG in the Decommissioning Account of the Reserve and Contingency Fund established under Section 510 of MEAG's Resolution, and in the Decommissioning Account of the Reserve and Contingency Fund established under Section 510 of MEAG's General Resolution, as supplemented by the Third Supplement, for the retirement from service, decommissioning or disposal of MEAG's Project One Long Term Portion and MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be (in each case excluding nuclear fuel), less any portion of such annual amounts which is in respect of funds



previously withdrawn from such Accounts, all divided by twelve; and

- (Z) Annual taxes or payments in lieu of taxes, if any, paid by MEAG in respect of MEAG's Project One Long Term Portion and MEAG's Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, other than MEAG's investment in nuclear fuel, divided by twelve.

On or before May 31 of each year, or more frequently as the parties may agree, MEAG will furnish GPC with information as to MEAG's actual Cost of Funds Rates and all other actual items for the calculations required pursuant to this Section 9(b) for the preceding calendar year, or such shorter period as may be agreed to, and by June 30 of each year, or more frequently as the parties may agree, appropriate adjustments for payments made during the preceding calendar year, or such shorter period as may be agreed to, shall be made to reflect such actual information.

(c) Operating Costs. In addition, once Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, has been achieved, in respect of the sale of such capacity and energy by MEAG to GPC pursuant to the provisions of Sections 7 and 8 hereof, except during the period of any suspension of the

obligations of GPC under Section 9(a) hereof, GPC shall be responsible for and shall pay into the Operating Account for the account of MEAG, during the period when such capacity and energy is sold by MEAG to GPC hereunder, the percentage determined in accordance with the schedules contained in Sections 7 and 8 hereof, of the Operating Costs incurred by MEAG for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, in accordance with the provisions of Sections 3(j), 3(l) and 3(m) of the Operating Agreement.

(d) Nuclear Fuel Costs. In addition, once Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, has been achieved, in respect of the sale of such capacity and energy by MEAG to GPC from MEAG's Project One Declining Portion and from MEAG's Project Four Declining Portion pursuant to Sections 7(a) and 8(a) hereof, GPC shall pay MEAG on the first business day of each month, commencing with the month in which Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, an amount equal to the product of (i) MEAG's estimated "Nuclear Fuel Cost of Funds Rate" (as hereinafter defined) with respect to nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable month, and (ii) the applicable percentage of capacity and energy from MEAG's Project One Declining Portion/Project Four Declining

Portion to which GPC is entitled as set forth in the schedules contained in Sections 7(a) and 8(a) hereof, multiplied by (iii) the lesser of (A) the principal amount then outstanding of MEAG's "Declining Portion Nuclear Fuel Debt Obligations" (as hereinafter defined) for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, or (B) MEAG's estimated average net investment for that month in the Project One Declining Portion of nuclear fuel and in the Project Four Declining Portion of nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be; provided, however, that during each month, if any, that GPC's Annual Fixed Charge Rate is lower than MEAG's Nuclear Fuel Cost of Funds Rate for such month, GPC's Annual Fixed Charge Rate shall be used in lieu of MEAG's Nuclear Fuel Cost of Funds Rate for the purpose of the foregoing calculation. At the end of each calendar year of the schedules set forth in Sections 7(a) and 8(a) hereof, or more frequently as the parties may agree, the aggregate of such monthly amounts paid by GPC to MEAG during such year, or during such shorter period as may be agreed to, shall be adjusted by substituting for MEAG's estimated Nuclear Fuel Cost of Funds Rate and, to the extent applicable, net investment in such nuclear fuel and Declining Portion Nuclear Fuel Debt Obligations, MEAG's actual Nuclear Fuel Cost of Funds Rate and, to the extent applicable, net investment in such nuclear fuel and

Declining Portion Nuclear Fuel Debt Obligations. MEAG shall provide GPC with information concerning such actual Nuclear Fuel Cost of Funds Rate and, to the extent applicable, net investment in such nuclear fuel and Declining Portion Nuclear Fuel Debt Obligations not later than May 31 following the end of each calendar year, and such adjustment shall be effected not later than June 30 following the end of each calendar year, or, in each case, more frequently, as the parties may agree.

In addition, in respect of the sale of such capacity and energy by MEAG to GPC pursuant to the provisions of Sections 7(b) and 8(b) hereof, GPC shall pay to MEAG prior to the last business day of each month, (i) commencing with the month in which Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, or (ii) if earlier, in the case of those quantities of capacity which GPC is to purchase commencing with the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, pursuant to Sections 7(b) and 8(b) hereof, commencing with the month in which the Proposed Initial Commercial Operation Date of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, occurs, an amount equal to the product of (A) MEAG's estimated Nuclear Fuel Cost of Funds Rate with respect to nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, for the applicable

month, and (B) the applicable percentage of capacity and energy from MEAG's Project One Long Term Portion/Project Four Long Term Portion in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, to which GPC is entitled for that month pursuant to Sections 7(b) and 8(b) hereof, multiplied by the lesser of (C) the principal amount then outstanding of MEAG's "Long Term Portion Nuclear Fuel Debt Obligations" (as hereinafter defined) or (D) MEAG's average net investment for that month in the Project One Long Term Portion and the Project Four Long Term Portion of nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be; provided, however, that during each month, if any, that MEAG's "Project Four Nuclear Fuel Cost of Funds Rate" (as hereinafter defined) is lower than MEAG's Nuclear Fuel Cost of Funds Rate for such month, MEAG's Project Four Nuclear Fuel Cost of Funds Rate shall be used in lieu of MEAG's Nuclear Fuel Cost of Funds Rate for the purpose of the foregoing calculation. At the end of each calendar year for the periods set forth in Sections 7(b) and 8(b) hereof, or more frequently as the parties may agree, the aggregate of such monthly amounts paid by GPC to MEAG during such year, or such shorter period as may be agreed to, shall be adjusted by substituting for MEAG's estimated Nuclear Fuel Cost of Funds Rate and, if applicable, net investment in such nuclear fuel and Long Term Portion Nuclear Fuel Debt



Obligations, MEAG's actual Nuclear Fuel Cost of Funds Rate, investment in such nuclear fuel and Long Term Portion Nuclear Fuel Debt Obligations. MEAG shall provide GPC with information concerning such actual Nuclear Fuel Cost of Funds Rate and, if applicable, net investment in such nuclear fuel and Long Term Portion Nuclear Fuel Debt Obligations not later than May 31 following the end of each calendar year, and such adjustment shall be effected not later than June 30 following the end of each calendar year, or, in each case, more frequently, as the parties may agree.

For the purposes of this Section 9, MEAG's "Nuclear Fuel Cost of Funds Rate" for nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, as of any particular time shall mean 78% of MEAG's "Project One Nuclear Fuel Cost of Funds Rate" (as hereinafter defined) for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, at such time, plus 22% of MEAG's "Project Four Nuclear Fuel Cost of Funds Rate" (as hereinafter defined) for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, at such time. MEAG's "Project One Nuclear Fuel Cost of Funds Rate" for nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, as of any particular time shall mean the monthly weighted average effective interest rate to MEAG on that portion of MEAG's then outstanding debt obligations issued



and at that time being used by MEAG for the purpose of financing its Project One Interest in nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be. MEAG's "Project Four Nuclear Fuel Cost of Funds Rate" for nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, as of any particular time shall mean the monthly weighted average effective interest rate to MEAG on that portion of MEAG's then outstanding debt obligations issued and at that time being used by MEAG for the purpose of financing its Project Four Interest in nuclear fuel for Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be. Notwithstanding the foregoing, the monthly effective interest rate to MEAG to be used for each of the foregoing calculations shall be the lowest monthly effective interest rate at which MEAG could have, at the time of each respective issue, issued its long-term debt obligations or any shorter-term debt obligations to finance MEAG's ownership interest in nuclear fuel for MEAG's Project One Interest, MEAG's Project Four Interest, or both, in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, and in the event that MEAG issues long-term revenue bonds to finance all or any part of its investment in nuclear fuel for its Project One Interest, its Project Four Interest, or both, in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, and thereafter MEAG issues either long-term or shorter-term obligations having a

lower monthly effective interest rate to refinance all or any part of such investment in nuclear fuel, such lower monthly effective interest rate shall be used for the purpose of the foregoing calculations. "Declining Portion Nuclear Fuel Debt Obligations" as of any particular time shall mean 78% of the then outstanding principal amount of MEAG's debt obligations which have been issued and are then being used by MEAG for the purpose of financing its investment in nuclear fuel for the Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, plus 78% of the then outstanding principal amount of MEAG's debt obligations which have been issued and are then being used by MEAG for the purpose of financing its investment in nuclear fuel for the Project Four Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be. "Long Term Portion Nuclear Fuel Debt Obligations" as of any particular time shall mean 22% of the then outstanding principal amount of MEAG's debt obligations which have been issued and are then being used by MEAG for the purpose of financing its investment in nuclear fuel for the Project One Interest in Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, plus 22% of the then outstanding principal amount of MEAG's debt obligations which have been issued and are then being used by MEAG for the purpose of financing its investment in nuclear fuel for the Project Four Interest in Vogtle Unit

No. 1 or Vogtle Unit No. 2, as the case may be. MEAG's "net investment in nuclear fuel" or in any portion thereof as of any particular time shall mean MEAG's gross investment at such time in nuclear fuel, or in such applicable portion thereof, which is completed and is ready for commercial use at Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, as appropriate, less the aggregate accumulated amortization applicable to such gross investment or to such applicable portion thereof.

To the extent that MEAG uses any funds, including without limitation, interest earnings thereon, deposited in the Nuclear Fuel Accounts in the Construction Fund established for Projects One and Four, respectively, under the Resolution and the General Resolution, for any purpose other than the acquisition of nuclear fuel, the retirement of principal of, payment of interest during construction on, or issuance expenses for, debt obligations issued to finance nuclear fuel for MEAG's Existing Ownership Interest and MEAG's Additional Ownership Interest, respectively, then the amount of payments required under this Section 9(d) shall be reduced for the amounts used for such other purposes in the proportion which the total amounts paid by GPC to MEAG under this Section 9(d) bears to the total amount of revenues received by MEAG for nuclear fuel for its Project One Interest and for its Project Four Interest. Further, to the extent that there

are any monies left over in such Accounts after retirement of all principal on such debt obligations, MEAG shall pay to GPC at such time a portion of such monies in the proportion which the total amounts paid by GPC to MEAG under this Section 9(d) bears to the total amount of revenues received by MEAG for nuclear fuel for its Project One Interest and for its Project Four Interest; provided, however, that references in this paragraph to monies in the Project One Nuclear Fuel Account shall be deemed to be references only to that portion of such monies which is properly and reasonably allocable to Plant Vogtle.

In addition, once Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, has been achieved, in respect of the sale of such capacity and energy from MEAG's Project One Declining Portion and from MEAG's Project Four Declining Portion pursuant to Sections 7(a) and 8(a) hereof and from MEAG's Project One Long Term Portion and from MEAG's Project Four Long Term Portion pursuant to Sections 7(b) and 8(b) hereof, subject to the provisions of Section 3(b) of the Operating Agreement, GPC shall pay into the Capital Account (as provided for in the Ownership Agreement), for the account of MEAG, the actual costs incurred by MEAG for (A) the amortization of that portion of its ownership interest in nuclear fuel attributable to the Project One Declining Portion and the Project Four Declining Portion, in each

case multiplied by the applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion to which GPC is entitled pursuant to the schedules set forth in Sections 7(a) and 8(a) hereof, and (B) the amortization of that portion of its ownership interest in nuclear fuel attributable to the Project One Long Term Portion and the Project Four Long Term Portion, in each case multiplied by the applicable percentage of capacity and energy from the Project One Long Term Portion/Project Four Long Term Portion to which GPC is entitled pursuant to Sections 7(b) and 8(b) hereof. Such costs incurred by MEAG for the amortization of such portions of its ownership interest in nuclear fuel shall be calculated in accordance with GPC's standard accounting practices therefor. In addition, GPC shall promptly reimburse MEAG for ad valorem taxes or payments in lieu thereof, paid by MEAG (A) in connection with nuclear fuel for the Project One Declining Portion and the Project Four Declining Portion in the amount of such payments multiplied by the applicable percentage of capacity and energy from the Project One Declining Portion/Project Four Declining Portion to which GPC is entitled pursuant to the schedules set forth in Sections 7(a) and 8(a) hereof, and (B) in connection with nuclear fuel for the Project One Long Term Portion and the Project Four Long Term Portion in the amount of such payments



multiplied by the percentage of capacity and energy to which GPC is entitled from the Project One Long Term Portion/Project Four Long Term Portion pursuant to the provisions of Sections 7(b) and 8(b) hereof.

(e) Plant-In-Service. Notwithstanding anything contained in the foregoing provisions of Sections 7, 8 and 9 hereof, for the purposes of such Sections 7, 8 and 9, neither GPC nor MEAG shall include for the purpose of calculating any element of cost or investment (including, without limitation, any calculation of Annual Fixed Charge Rate, Cost of Funds Rate, Nuclear Fuel Cost of Funds Rate, Project One Nuclear Fuel Cost of Funds Rate, Project Four Nuclear Fuel Cost of Funds Rate, Monthly Debt Service Requirements, Project One Bonds, Project Four Bonds, Declining Portion Nuclear Fuel Debt Obligations, Long Term Portion Nuclear Fuel Debt Obligations, gross plant investment, net plant investment, gross investment in nuclear fuel, net investment in nuclear fuel or the amounts to be paid by GPC to MEAG pursuant to the last paragraph of Section 9(b) hereof) which is attributable to Vogtle Unit No. 1 or Vogtle Unit No. 2 or to any completion, renewal, addition, replacement or modification of any part of Plant Vogtle or which is attributable to the acquisition, storage, processing, transportation, delivering, reprocessing, fabrication or disposal of nuclear fuel, until Commercial Operation of Vogtle Unit No. 1 or Vogtle Unit No. 2, as



the case may be, or such time as the particular completion, renewal, addition, replacement, modification or nuclear fuel to which such element of cost or investment relates is completed and is ready for commercial service at Plant Vogtle. During the period prior to such Commercial Operation or such completion and readiness for commercial service, as the case may be, GPC and MEAG shall capitalize their respective costs, including without limitation, interest during construction computed, in the case of MEAG, at MEAG's applicable Cost of Funds Rate or Nuclear Fuel Cost of Funds Rate, as appropriate, and computed in the case of GPC at GPC's then current rate for allowance for funds used during construction in accordance with the Uniform System of Accounts, for such completion, renewal, addition, replacement, modification or nuclear fuel.

For the purpose of any payments to be made by GPC to MEAG pursuant to this Section 9 to reimburse MEAG, or any expense which is to be included for calculation of MEAG's Annual Fixed Charge Rate, for amounts paid by MEAG out of its revenues for any such completions, renewals, additions, replacements or modifications, such payments shall commence or such expense shall be first included for such calculation at the time such completion, renewal, addition, replacement or modification is completed, and MEAG's capitalized investment therein shall be depreciated on a

straight-line basis over the then remaining estimated useful life of Vogtle Unit No. 1 or Vogtle Unit No. 2, as the case may be, estimated as of the time of completion of such completion, renewal, addition, replacement or modification.

For the purposes of Sections 7, 8 and 9 hereof, in no event shall MEAG issue any refunding bonds or any other refunding obligations for any MEAG Bonds or Subordinated Bonds within the meaning of the Resolution or the General Resolution which would have the effect of increasing the period during which GPC is to make purchases of capacity and energy or of increasing the cost of any of such purchases, unless GPC and MEAG have mutually agreed in writing to the issuance of such refunding bonds or other refunding obligations. In the event that MEAG should issue any such refunding bonds or other refunding obligations which would have the effect of reducing the cost to GPC of any of such purchases of capacity and energy, GPC shall share in the benefit of such reduced costs.

(f) Decommissioning. (i) Upon the occurrence of the earlier of the retirement from commercial service of Vogtle Unit No. 1, as announced by GPC as agent, or the payment of all of MEAG's Project Four Bonds (or provision for such payment having been made pursuant to Section 1201 of the General Resolution), MEAG shall pay to GPC the

greater of (A) 66.67% of a portion of the actual amount on deposit in the Decommissioning Account of the Reserve and Contingency Fund for Project Four established under Section 510 of MEAG's General Resolution, as supplemented by the Third Supplement, which portion is properly and reasonably allocable to MEAG's Additional Ownership Interest in Vogtle Unit No. 1 (excluding nuclear fuel), or (B) 66.67% of such portion of the aggregate amounts required by the General Resolution, as supplemented by the Third Supplement, to be paid into such account from the date hereof through the date of the earliest of the events described above, less such portion of the amount theretofore expended from such account for the retirement from service, decommissioning or disposal of MEAG's Additional Ownership Interest in Vogtle Unit No. 1 (excluding nuclear fuel). From and after the date of the earliest of the events described above and the irrevocable receipt by GPC of such amount from MEAG, GPC shall be responsible for paying 66.67% of that portion of Cost of Construction for disposal under the Ownership Agreement attributable to MEAG's Additional Ownership Interest in Vogtle Unit No. 1 (excluding nuclear fuel).

(ii) Upon the occurrence of the earlier of the retirement from commercial service of Vogtle Unit No. 2, as announced by GPC as agent, or the payment of all of MEAG's Project Four Bonds (or provision for such payment

having been made pursuant to Section 1201 of the General Resolution), MEAG shall pay to GPC the greater of (A) 66.67% of a portion of the actual amount on deposit in the Decommissioning Account of the Reserve and Contingency Fund for Project Four established under Section 510 of MEAG's General Resolution, as supplemented by the Third Supplement, which portion is properly and reasonably allocable to MEAG's Additional Ownership Interest in Vogtle Unit No. 2 (excluding nuclear fuel), or (B) 66.67% of such portion of the aggregate amounts required by the General Resolution, as supplemented by the Third Supplement, to be paid into such account from the date hereof through the date of the earliest of the events described above, less such portion of the amounts theretofore expended from such account for the retirement from service, decommissioning or disposal of MEAG's Additional Ownership Interest in Vogtle Unit No. 2 (excluding nuclear fuel). From and after the date of the earliest of the events described above and the irrevocable receipt by GPC of such amount from MEAG, GPC shall be responsible for paying 66.67% of that portion of Cost of Construction for disposal under the Ownership Agreement attributable to MEAG's Additional Ownership Interest in Vogtle Unit No. 2 (excluding nuclear fuel).

(g) No Adverse Distinction. Notwithstanding any other provision of this Purchase Agreement, for the

purposes of Sections 6, 7, 8 and 9 of this Agreement, MEAG shall not make any adverse distinction in its operations, planning, financing, budgeting or in carrying out any of its duties or exercising any of its options or rights under its Resolution, General Resolution or any power sales agreement or contract with any one or more of its participants, which adverse distinction is between or among any one or more of MEAG's Existing Ownership Interest, MEAG's Additional Ownership Interest, the Project One Declining Portion, the Project Four Declining Portion, the Project One Long Term Portion, the Project Four Long Term Portion or any other ownership interest in Plant Vogtle or any other generating facility which MEAG may now have or may acquire in the future. In addition, except as expressly provided herein to the contrary, MEAG shall not include any item of cost in any of the calculations to be made pursuant to Sections 7, 8 and 9 hereof at any earlier time or in any greater proportion than MEAG would include such item of cost in the rates and charges to MEAG's participants pursuant to the power sales agreements between MEAG and each of its participants.

In the event of a violation by MEAG of the provisions of this Section 9(g) GPC may exercise any and all remedies which may be available to it at law or in equity, and, in addition, any amounts paid by GPC to MEAG as a result, direct or indirect, of a violation by MEAG of the



provisions of this Section 9(g) shall be repaid to GPC immediately upon demand, and such amounts shall bear interest from the date of payment by GPC until repayment by MEAG to GPC at a rate equal to the higher, from time to time, of (i) a rate five percentage points above the "prime rate" as announced from time to time by Chemical Bank, New York, New York, or (ii) a rate five percentage points above the net interest cost on the most recent issue of GPC's first mortgage bonds issued from time to time; and such interest shall be compounded monthly until paid at a rate which is the higher of (i) or (ii) above in effect on the first day of such month.

The foregoing provisions of this Section 9(g) are not intended in any way to replace or limit the provisions of Section 6(a) of the Ownership Agreement but are in addition thereto.

(h) Audits; Accounting Standards. GPC shall have access to MEAG's books and records, including without limitation, budget information, during reasonable business hours for the purpose of auditing its costs and other matters relevant to the payments made or to be made by GPC to MEAG hereunder.

Except as otherwise expressly provided for in Sections 7, 8 and 9 hereof, all accounting matters and calculations to be made for the purposes of Sections 7, 8 and 9 hereof shall be made in accordance with generally



accepted accounting principles, to the extent such principles are applicable, and otherwise in accordance with generally accepted financial practice. To the extent that GPC is required by applicable rules of regulatory agencies having jurisdiction over GPC to vary its accounting practices from generally accepted accounting principles, the applicable accounting rules of such regulatory agencies shall control the accounting practices applicable to GPC.

(i) Contests. With respect to those amounts which GPC is to pay to MEAG pursuant to the provisions of Sections 9(a), 9(b), 9(c) and 9(d) hereof, GPC and MEAG shall each have one hundred-eighty days following the annual furnishing by GPC and MEAG each to the other of the adjustments made by substituting for the estimated elements of costs for the prior year the actual elements of cost, to question or contest the correctness of the amounts paid or which should have been paid during the calendar year to which such adjustments relate, after which time the correctness of such amounts shall be conclusively presumed.

(j) Interest Added. In addition to any other rights or remedies, legal or equitable, available to MEAG, in the event GPC fails to make any payment when due pursuant to Sections 7, 8 or 9 hereof, there shall be added to such overdue amount interest, compounded monthly

until paid, from the date such payment was due at an annual rate equal to the higher of (1) a rate five percentage points above the average yield on the issue of six month United States Treasury Bills, as reported by the Federal Reserve Bank of New York, at the sale of such Bills by the United States Treasury next preceding the due date of such payment, or (2) a rate five percentage points above the highest net interest cost on the most recent issue of bonds or other long term obligations by GPC or MEAG. GPC shall also indemnify and hold MEAG harmless from and against any and all losses, costs, damages and expenses arising out of or resulting from GPC's failure to make such payment when due.

(k) Cooperation Regarding Tax Exemption. GPC recognizes that MEAG intends to finance its Project One Interest and Project Four Interest through the issuance of obligations the interest on which is exempt from Federal income taxes. GPC agrees, at the written request of MEAG and subject to the payment by MEAG of any costs or expenses to GPC, to reasonably cooperate with MEAG in maintaining said tax exemption with respect to obligations outstanding or to be issued, so long as such cooperation does not cause any significant impact upon GPC's standard methods of accounting or operations, and in no event shall GPC have any liability whatsoever to MEAG, to any holder of MEAG's obligations or to any other person or entity

with respect to any failure or loss of the tax-exempt status of interest on any of MEAG's obligations.

10. Conditions Precedent to Obligations Hereunder.

(a) GPC's Conditions With Respect to MEAG. All obligations of GPC to MEAG under this Purchase Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (or the waiver in writing of such conditions by GPC):

(i) GPC shall not have discovered any material error, misstatement or omission in the representations and warranties made by MEAG in this Purchase Agreement.

(ii) MEAG's representations and warranties contained in this Purchase Agreement shall be deemed to have been made again at and as of the time of the Closing and shall then be true in all material respects; MEAG shall have represented and warranted that the liabilities, duties and obligations contained in the Ownership Agreement and the Operating Agreement and assumed hereunder by MEAG are, upon the Closing, the legal, valid and binding obligations of MEAG enforceable against it in accordance with their terms; MEAG shall have performed and complied with all agreements, covenants and conditions required by this Purchase Agreement to be performed or complied with by it prior to or at the Closing; and GPC shall have been furnished with a certificate of the Chairman of MEAG,

dated the date of the Closing, certifying in such detail as GPC may reasonably request to the fulfillment of the foregoing conditions.

(iii) GPC shall have been furnished with an opinion of general counsel for MEAG, dated the date of the Closing, to the effect that: (A) MEAG is a public body corporate and politic and an instrumentality of the State of Georgia duly organized and validly existing under the laws of the State of Georgia and has the requisite power and authority to own MEAG's Total Ownership Interest in Plant Vogtle and to supply power to those political subdivisions with which it has entered into power sales contracts relating to Plant Vogtle, (B) MEAG has entered into power sales contracts relating to Plant Vogtle with those political subdivisions listed on Exhibit A attached hereto, (C) the execution, delivery and performance of this Purchase Agreement by MEAG have been duly and effectively authorized by all requisite action by MEAG and its members, (D) the power sales contracts have been duly authorized and executed by those political subdivisions listed on Exhibit A hereto; such political subdivisions had and have full power and authority to execute and deliver the power sales contracts, to perform their obligations thereunder, and to authorize MEAG to enter into this Purchase Agreement and to perform its obligations hereunder, including without limitation the duties, obligations and liabilities imposed by the Ownership Agreement

and the Operating Agreement and assumed hereunder by MEAG; and the power sales contracts are the legal, valid and binding obligations of the parties thereto enforceable against such parties in accordance with the respective terms of such power sales contracts; and (E) MEAG had and has full power and authority to execute this Purchase Agreement, this Purchase Agreement has been duly and validly executed and delivered by MEAG and this Purchase Agreement and the liabilities, duties and obligations contained in the Ownership Agreement and in the Operating Agreement and assumed hereunder by MEAG are the legal, valid and binding obligations of MEAG enforceable against it in accordance with their terms (except as the provisions of this Purchase Agreement, the Ownership Agreement, the Operating Agreement or any of them may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights and other laws of general application affecting the rights and remedies of creditors, except that the availability of the remedy of specific enforcement or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought, and except that no opinion shall be expressed as to the validity and enforceability of the restrictions on alienation set forth in Section 5(j) of the Ownership Agreement).



(b) MEAG's Conditions. All obligations of MEAG under this Purchase Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (or the waiver in writing of such conditions by MEAG):

(i) MEAG shall not have discovered any material error, misstatement or omission in the representations and warranties made by GPC in this Purchase Agreement.

(ii) GPC's representations and warranties contained in this Purchase Agreement shall be deemed to have been made again at and as of the time of the Closing and shall then be true in all material respects; GPC shall have performed and complied with all agreements, covenants and conditions required by this Purchase Agreement to be performed or complied with by it prior to or at the Closing; and MEAG shall have been furnished with a certificate of the President or a Vice President of GPC, dated the date of the Closing, certifying in such detail as MEAG may reasonably request to the fulfillment of the foregoing conditions.

(iii) MEAG shall have been furnished with an opinion of Messrs. Troutman, Sanders, Lockerman & Ashmore, counsel for GPC, dated the date of the Closing, to the effect that: (A) GPC is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia and has corporate power and authority

to own such percentage undivided ownership interest in Plant Vogtle as is contemplated by this Purchase Agreement, to sell and to transfer to MEAG MEAG's Additional Ownership Interest in Plant Vogtle being sold and transferred pursuant to this Purchase Agreement and to carry on its business as it is then being conducted, (B) the execution, delivery and performance of this Purchase Agreement, the Ownership Agreement and the Operating Agreement by GPC have been duly and effectively authorized by all requisite corporate action, and (C) GPC had and has full power and authority to execute this Purchase Agreement, the Ownership Agreement and the Operating Agreement and this Purchase Agreement, the Ownership Agreement and the Operating Agreement have been duly executed and delivered by GPC, are in full force and effect as to GPC and are the legal, valid and binding obligations of GPC enforceable against it in accordance with their terms (except as the provisions of this Purchase Agreement, the Ownership Agreement, the Operating Agreement or any of them may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights and other laws of general application affecting the rights and remedies of creditors, except that the availability of the remedy of specific enforcement or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought,

and except that no opinion shall be expressed as to the validity and enforceability of the restrictions on alienation set forth in Section 5(j) of the Ownership Agreement).

(c) Mutual Conditions of GPC and MEAG. The respective obligations of GPC and MEAG hereunder are, unless waived in writing by GPC and MEAG prior to or at the Closing, subject to the further conditions that:

(i) All requisite consents of OPC and Dalton pursuant to Section 9(h) of the Ownership Agreement and Section 7(h) of the Operating Agreement shall have been received by GPC and MEAG.

(ii) All requisite governmental, regulatory and vendor approvals of the execution, delivery and performance of this Purchase Agreement and the consummation of the transactions contemplated hereby by GPC and MEAG and the release by Chemical Bank as Trustee under GPC's First Mortgage Indenture dated as of March 1, 1941, of the undivided ownership interest in Plant Vogtle to be conveyed to MEAG hereunder from the lien of such Indenture, shall have been received.

(iii) MEAG shall have obtained a conclusive judgment of validation of its revenue bonds in an aggregate principal amount of at least \$725,000,000 and shall have sold its revenue bonds or bond anticipation notes, or any combination thereof, in an aggregate principal amount of at least \$225,000,000 for financing MEAG's Additional Ownership Interest in Plant Vogtle.

11. Survival. The agreements, covenants, representations and warranties contained in Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 12 of this Purchase Agreement, and, subject to the provisions of this Purchase Agreement, in Sections 1, 2, 3, 4, 5, 6, 8 and 9 of the Ownership Agreement and in all of the provisions of the Operating Agreement (other than Section 3(h) thereof) shall survive the Closing.

12. Miscellaneous.

(a) No Delay. No disagreement or dispute of any kind between or among any of the Participants concerning any matter, including without limitation, the amount of any payment due hereunder, under the Ownership Agreement, the Operating Agreement or any of them, or the correctness of any charge made hereunder, under the Ownership Agreement, the Operating Agreement or any of them, shall permit any Participant to delay or withhold any payment pursuant to this Purchase Agreement, the Ownership Agreement, the Operating Agreement or any of them.

(b) Further Assurances. From time to time after the Closing, GPC and MEAG will execute such instruments of conveyance and other documents, upon the request of the other, as may be necessary or appropriate, to carry out the intent of this Purchase Agreement.

(c) Governing Law. The validity, interpretation, and performance of this Purchase Agreement and each

of its provisions shall be governed by the laws of the State of Georgia.

(d) Notice. Except as otherwise provided in Sections 5(d) and 5(g) of the Ownership Agreement, any notice, request, consent or other communication permitted or required by this Purchase Agreement, the Ownership Agreement, the Operating Agreement or any of them shall be in writing and shall be deemed given when deposited in the United States Mail, first class postage prepaid, and if given to GPC shall be addressed to:

Georgia Power Company  
333 Piedmont Avenue, N.E.  
Atlanta, Georgia 30308  
Attention: President

and if given to MEAG shall be addressed to:

Municipal Electric Authority of Georgia  
1470 Riveredge Parkway, N.W.  
Atlanta, Georgia 30328  
Attention: Chairman

unless a different officer or address shall have been designated by the respective Participant by notice in writing.

(e) Section Headings Not to Affect Meaning. The descriptive headings of the various Sections of this Purchase Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions thereof.

(f) No Partnership. Notwithstanding any provision of this Purchase Agreement, the Participants do not



intend to create hereby or by the Ownership Agreement any joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit.

(g) Time of Essence. Time is of the essence of this Purchase Agreement.

(h) Amendments. This Purchase Agreement may be amended by and only by a written instrument duly executed by each of the parties hereto.

(i) Successors and Assigns.

(i) This Purchase Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and assigns. Except as otherwise expressly provided herein, this Purchase Agreement is not intended to confer upon any other person any rights or remedies hereunder, except that MEAG agrees that any transferee of an undivided ownership interest in Plant Vogtle from GPC pursuant to an agreement under which MEAG has been made a third party beneficiary of such transferee's obligations thereunder shall be a third party beneficiary of MEAG's obligations hereunder and under the Ownership Agreement and the Operating Agreement and shall be deemed a Participant for all purposes of this Purchase Agreement, the Ownership Agreement and the Operating Agreement.

(ii) GPC and MEAG further agree that any vendee, assignee or transferee of either of them of any

undivided ownership interest in Plant Vogtle, where such sale, assignment or transfer was made in accordance with the provisions of Section 5(j) of the Ownership Agreement, shall be deemed a Participant for all purposes of this Purchase Agreement, the Ownership Agreement and the Operating Agreement; the selling party's rights and obligations as a Participant and co-owner of Plant Vogtle, including without limitation the obligation to make payments of Cost of Construction, Fuel Costs and Operating Costs under such Agreements, shall be reduced by the percentage of the undivided ownership interest so sold, assigned or transferred; and GPC and MEAG shall look solely to such purchaser for payment of the corresponding portion of the Cost of Construction, Fuel Costs and Operating Costs.

(j) Counterparts. This Purchase Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(k) "AS IS" SALE. PLANT VOGTLE IS TO BE SOLD "AS IS" AND "WHERE IS." GPC MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER IN THIS PURCHASE AGREEMENT, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO THE VALUE, QUANTITY, CONDITION, SALEABILITY, OBSOLESCENCE, MERCHANTABILITY, FITNESS OR SUITABILITY FOR USE OR WORKING ORDER OF ANY OF PLANT VOGTLE, NOR DOES GPC REPRESENT OR WARRANT THAT THE USE OR OPERATION OF PLANT VOGTLE WILL NOT VIOLATE PATENT,

TRADEMARK OR SERVICEMARK RIGHTS OF ANY THIRD PARTIES. MEAG IS WILLING TO PURCHASE ITS UNDIVIDED OWNERSHIP INTEREST IN PLANT VOGTLE "AS IS" AND "WHERE IS" AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS PURCHASE AGREEMENT. Notwithstanding the foregoing, MEAG shall have the benefit, in proportion to its undivided ownership interest in Plant Vogtle, to all manufacturers' and vendors' warranties and all patent, trademark and servicemark rights running to GPC in connection with Plant Vogtle.

(l) Several Agreements. Notwithstanding anything to the contrary set forth herein, the agreements and obligations of any or all of the Participants set forth in this Purchase Agreement shall be the several, and not joint, agreements and obligations of such Participants.

(m) Approvals. GPC and MEAG shall use their best efforts to obtain as quickly as possible all requisite judicial, governmental, regulatory and vendor approvals of the consummation of the transactions contemplated hereby.

(n) Licensees. MEAG at its own expense, with informational assistance provided by GPC, will seek and obtain prior to the Closing any required approval of the Nuclear Regulatory Commission or such other regulatory agencies having jurisdiction over the licensing of Plant Vogtle.

(o) MEAG Commitment for Financing. MEAG shall use its best efforts to obtain a conclusive judgment of

validation of its revenue bonds in an aggregate principal amount of at least \$725,000,000 on or before December 21, 1983, and to sell on or before December 21, 1983, its revenue bonds or bond anticipation notes, or any combination thereof, in an aggregate principal amount of at least \$225,000,000 for financing MEAG's Additional Ownership Interest in Plant Vogtle.

(p) Taxes. In addition to the provisions of Section 5(1) of the Ownership Agreement, and notwithstanding any provisions thereof which may be inconsistent with the provisions of this Section 9(p), ad valorem taxes on MEAG's Additional Ownership Interest for the year in which the Closing occurs shall be paid by MEAG at the Closing. MEAG shall be responsible for all sales and transfer taxes and recording fees, if any, incurred in connection with the conveyance to it of MEAG's Additional Ownership Interest.

(q) Term. This Purchase Agreement shall become effective upon its execution and delivery by GPC and by MEAG and shall remain in effect for the same term as is provided for in Section 6(b) of the Operating Agreement or until such later time as all of GPC's and MEAG's obligations under Sections 6, 7, 8 and 9 of this Purchase Agreement have been paid, performed or duly provided for; provided, however, that (i) with respect to all rights, liabilities, duties and obligations assigned and delegated by GPC and accepted and assumed by MEAG under this Purchase Agreement arising out of or pursuant to the provisions of

the Ownership Agreement, such rights, liabilities, duties and obligations shall remain in effect for the same term as is provided for them, respectively, pursuant to the Ownership Agreement, (ii) that the provisions of Sections 1, 2, 4, 5, 6, 7, 8, 9, 11 and 12, of this Purchase Agreement shall remain in effect for as long as any provision of the Ownership Agreement remains in effect, except insofar as any portion of the provisions of Sections 1, 2, 4, 5, 6, 7, 8, 9, 11 and 12 of this Purchase Agreement pertain to or arise out of the Operating Agreement, which portion shall remain in effect only for the term of the Operating Agreement, and (iii) that the provisions of Sections 3 and 10 of this Purchase Agreement shall remain in effect only until the Closing, except that the provisions of Section 3(b) shall remain in effect for as long as any provision of the Ownership Agreement shall remain in effect.

(r) Accounting Understandings. Except as inconsistent herewith, the accounting understandings reached between GPC and MEAG on May 8, 1979 and August 8, 1983 shall be applicable hereto.

(s) No Effect on Other Participants. This Purchase Agreement shall not affect the rights or obligations of OPC or Dalton under the Ownership Agreement or the Operating Agreement, it shall not affect the obligations of MEAG and GPC to OPC and Dalton under those Agreements nor shall it affect any calculations (other than for the purposes of Section 3(g) of the Operating Agreement) for the



payments of monies flowing from or to OPC and Dalton under those Agreements, except that OPC and Dalton (and GPC) will look solely to MEAG for performance of the obligations of a Participant as to the 5% undivided ownership interest in Plant Vogtle being conveyed to MEAG pursuant to this Purchase Agreement.

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Purchase Agreement in Atlanta, Georgia, as of the date first above written.

Signed, sealed and delivered  
in the presence of:

Josh Mercer  
Thomas J. Hawthorne

GEORGIA POWER COMPANY

By: [Signature]

Attest: [Signature]

(CORPORATE SEAL)

Signed, sealed and delivered  
in the presence of:

Donald W. Bowling  
Nancy J. Sneed

MUNICIPAL ELECTRIC  
AUTHORITY OF GEORGIA

By: [Signature]

Attest: [Signature]

(OFFICIAL SEAL)

Pursuant to Section 9(h) of the Ownership Agreement and Section 7(h) of the Operating Agreement, OPC and Dalton hereby consent, as of the date first above written, to the amendment to the Ownership Agreement and to the Operating Agreement as effected by the within and foregoing Purchase Agreement.

Signed, sealed and  
delivered in the  
presence of:

Jeffrey S. Hill  
H. Stanley Hill

OGLETHORPE POWER CORPORATION  
(AN ELECTRIC MEMBERSHIP  
GENERATION & TRANSMISSION  
CORPORATION)

By: David M. Holmes  
President  
Attest: Robert L. Johnson  
Secretary

(OFFICIAL SEAL)

Signed, sealed and  
delivered in the  
presence of:

W. L. Smith  
Linda K. Cashale

CITY OF DALTON

By: M. Donald Ell  
Mayor  
Attest: Jay L. Martin  
Clerk

(OFFICIAL SEAL)

Signed, sealed and  
delivered in the  
presence of:

W. L. Smith  
Marshall Smith

BOARD OF WATER, LIGHT AND  
SINKING FUND COMMISSIONERS

By: James E. Brown  
Chairman  
Attest: A. Forrest Parrott  
Secretary

(OFFICIAL SEAL)