



Fact Sheet

TVA Compensation

The Tennessee Valley Authority depends on market-based, performance-driven compensation to ensure TVA can attract and retain the knowledgeable, skilled and talented workforce required to run one of the nation’s largest electric utilities.

Background:

TVA typically targets compensation at the median of TVA’s relevant labor market. That includes private and publicly owned utilities similar to TVA in size and revenues. Some specialized positions are targeted at a higher level (typically between the 50th and 75th percentile) and some positions are targeted at a lower level (typically between the 25th and 50th percentile).

• **Key points:**

Strong leadership and a talented workforce are essential to achieving TVA’s vision to become a national leader in low-cost, cleaner energy.

- TVA operates one of the nation’s largest utility systems. It must compete with other utilities for talented people to strategically manage safe and efficient operations that provide electricity for 9 million people in the region.
- For that reason, TVA pay is market-based and performance-driven.
- TVA employees at all levels have some amount of pay at-risk, meaning a portion of their total compensation depends on whether they achieve specific performance objectives.

Other information:

- To set compensation, TVA compares its positions with those of other utilities that are comparable in size. TVA must offer compensation that is competitive with other utilities if TVA is to recruit and retain strong leadership.
- TVA typically targets compensation at the median, or 50th percentile, of the market for most positions. (Some highly specialized positions, such as those in nuclear power operations, may be targeted closer to the 75th percentile.)
- The total compensation for CEOs at investor-owned utilities such as Duke, Progress, Entergy, Southern Company, Florida Power & Light, and AEP (American Electric Power) exceeds the amount for TVA’s CEO, according to the utilities’ financial reports.

	TVA	Duke	Progress	Southern Co.	AEP	FP&L / Nextera
Generating Capacity	34,068 MW	29,469 MW	22,000 MW	43,000 MW	38,000 MW	43,000 MW
Power sold (2010)	147 Billion kWh	146 Billion Kwh	60 Billion Kwh	197 Billion kWh	206 Billion kWh	108 Billion kWh
Service area population	9 Million	12 Million	9 Million	N/A	N/A	8.7 Million
Service area size	80,000 Miles ²	50,000 Miles ²	54,000 Miles ²	120,000 Miles ²	200,000 Miles ²	27,650 Miles ²
Number of nuclear units	6	7	5	6	2	8
Revenue (2010)	\$10.9 Billion	\$14.3 Billion	\$10.2 Billion	\$17.5 Billion	\$14.4 Billion	\$15.6 Billion
2010 CEO Compensation *	\$3.6 Million	\$8.8 Million	\$6.5 Million	\$16 Million	\$9 Million	\$13.6 Million

*Compensation data from TVA 10-K and other utility proxy statements; other data is from utility websites.