



Fact Sheet

Fiscal Year 2012 Performance Highlights

Continuing softness in the nation's economy and unusually mild weather across the Tennessee Valley region posed formidable challenges to TVA in fiscal year 2012. The people of TVA surmounted these hurdles to make significant progress toward TVA's vision for being one of the nation's leading providers of cleaner, low-cost energy by 2020.

Here are some key accomplishments on the path to TVA's vision in 2012:

Low Rates

TVA employees identified hundreds of millions of dollars a year in sustainable savings by reducing non-essential activities and boosting efficiency. This helped TVA avoid a wholesale rate increase for fiscal year 2013 and make faster progress than expected toward its goal of having some of the lowest retail rates in the nation among leading utilities.

High Reliability

TVA delivered power to its customers with 99.999 percent reliability for the 13th consecutive year and continued prudent measures to maintain transmission rights of way for safety and reliability. The people of TVA also met the highest-ever Saturday and weekend demand for power and delivered one of TVA's best years ever for coal and nuclear reliability.

Responsibility

For the seventh consecutive year, TVA was selected as one of the nation's top utilities for economic development by *Site Selection* magazine. Through the Valley Investment Initiative and other activities, TVA helped its economic development partners create or retain more than 48,000 jobs and attract about \$5.9 billion in capital investments across the TVA region.

TVA provided a record \$579 million in tax equivalent payments in fiscal year 2012 to states and local governments where it sells electricity or has power properties. This year's payments totaled \$49 million more than 2011.

TVA employees volunteered 3,700 hours of their time and contributed \$2.6 million to charitable organizations. Employees also worked one of their safest years on record, including more than 16 million work-hours without a lost-time accident at the Watts Bar 2 construction site.

Cleaner air

TVA produced more power than ever (145 percent more than in 2011) from natural gas and completed its newest gas-fired facility – John Sevier Combined Cycle plant – 30 days early and \$30 million under budget. TVA decreased its coal generation by about one-fifth from the previous year and increased its portfolio of renewable generating assets to 5,680 megawatts. Another 593 megawatts of renewable generation, which includes wind, solar, biomass and hydroelectric resources, are approved, contracted or committed for activation in the near future.



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More nuclear generation

The people of TVA generated more nuclear power than any previous year (11 percent over 2011) with record-setting continuous runs at all three TVA nuclear sites and improved reliability across the nuclear fleet (300 days straight for the first time since 2002). TVA moved forward with construction of Watts Bar Unit 2 under a revised cost estimate and schedule to complete by December 2015. TVA also continued design and engineering for a possible nuclear unit at TVA's Bellefonte site in north Alabama.

Greater energy efficiency

TVA and its contractors completed their 46,000th In-Home Energy Evaluation in 2012 and helped TVA customers shave more than 560-gigawatt-hours off their peak power demand – enough to power more than 35,000 homes.

Job Safety

TVA ranked among the top 10 percent in the utility industry for job safety. The recordable injury rate for 2012 was .54 recordable injuries per 200,000 hours worked. This is the fifth consecutive year of improvement. TVA has implemented a behavior centered safety process in the generation business units. This process focuses on decreasing worker risk by encouraging safe behaviors.

Financial performance

Despite lower electricity sales and revenues reported in 2012 due to the unusually mild winter and sluggish economy, TVA improved its cash position and reduced operating and maintenance expenses. TVA realized a \$60 million net income for reinvestment on \$11.2 billion in revenues. TVA also passed along lower fuel and purchased power costs to its customers in 2012 compared with the prior year. Also during 2012, TVA increased its investment in property, plants and equipment, while reporting a lower debt balance net of cash.