

SUMMARY ELECTION FORM
(To be completed by the Financial Institution)
TENNESSEE VALLEY AUTHORITY
POWER BONDS 1998 SERIES D DUE JUNE 1, 2028
(PUTABLE AUTOMATIC RATE RESET SECURITIES)
CUSIP NUMBER 880591 300

*Capitalized terms used and not defined in
this Summary Election Form shall have the meanings defined
in the Offering Circular for the Bonds as supplemented on June 10, 1998.*

To: Tennessee Valley Authority

The financial institution named below (the "Financial Institution"), on behalf of each of the beneficial owners named below (the "Beneficial Owners"), hereby exercises the option for repayment of the aggregate principal amount of Bonds designated below. To be valid, this Summary Election Form must be received by TVA at the office specified in the instructions for completing this Summary Election Form (together with the Option to Elect Repayment Form for each Beneficial Owner) *no earlier than* the relevant date on which TVA sends a notice of reset of the Coupon Rate (the "Reset Notification Date") and *no later than* the May 22 (or the prior Business Day if such date is not a Business Day) following the Reset Notification Date. This election shall have no effect with respect to (i) any Bonds for which an Option to Elect Repayment Form is not properly completed and delivered to TVA or (ii) any Bonds which are not timely returned to TVA as required in the instructions accompanying this Summary Election Form.

(1) _____
Name of Financial Institution Requesting Repayment

(2) _____
Aggregate Principal Amount of Bonds to be Repaid

(3) _____
Date

(4) Financial Institution Representative:
Name:
Phone Number:
Fax Number:
Mailing Address (No P.O. Boxes):

(5) Name of The Depository Trust Company direct
participant (if other than the Financial
Institution):

<p>(6) Name of Beneficial Owner:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>Principal Amount of Bonds to be Repaid:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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(Continue on separate sheet if necessary.)

Election Number* (to be completed by TVA): _____

* Upon receipt of this Summary Election Form, TVA will assign an Election Number for the Bonds referred to above and return this Summary Election Form by facsimile to the party specified on line (4) above no later than two Business Days after receipt.

TVA is an agency and instrumentality of the United States Government. The making of any false or fraudulent statement or representation to TVA is a violation of federal criminal law punishable by fine, imprisonment or both.

**OPTION TO ELECT REPAYMENT FORM
(To be completed by the Financial Institution)**

**TENNESSEE VALLEY AUTHORITY
POWER BONDS 1998 SERIES D DUE JUNE 1, 2028
(PUTABLE AUTOMATIC RATE RESET SECURITIES)
CUSIP NUMBER 880591 300**

*Capitalized terms used and not defined in
this election form shall have the meanings defined
in the Offering Circular for the Bonds as supplemented on June 10, 1998.*

To: Tennessee Valley Authority

The undersigned financial institution (the "Financial Institution") represents that (1) it has received a valid request for repayment from the beneficial owner listed below (the "Beneficial Owner") of Tennessee Valley Authority Power Bonds 1998 Series D Due June 1, 2028 (Putable Automatic Rate Reset Securities) (the "Bonds" — sometimes called "PARRS") and is currently authorized by the Beneficial Owner to put the Bonds listed below to TVA; and (2) the Beneficial Owner currently owns Bonds in the principal amount listed below, and the Financial Institution currently holds such Bonds through its account or through its agents with The Depository Trust Company.

The Financial Institution agrees to return the Bonds specified below through the book-entry system of The Depository Trust Company to TVA by the close of business on June 1 of the year of election (or the next succeeding Business Day, if such date is not a Business Day). The Financial Institution also agrees that (1) it shall follow the instructions accompanying this form; (2) it shall maintain records in accordance with reasonable industry practice and applicable law with respect to the request and authorization from the Beneficial Owner described in the preceding paragraph for a period of three years from the date of election listed below and shall allow TVA to inspect such records upon request; and (3) the Financial Institution shall indemnify and hold harmless TVA against and from any and all claims, liabilities, costs, losses, expenses, suits and damages resulting from any misrepresentation in this election form or other improper action by the Financial Institution in connection with the request for repayment.*

- (1) _____
Name of Beneficial Owner Requesting Repayment
- (2) _____
Name of Financial Institution Requesting Repayment
- (3) _____
Signature of Representative of Financial Institution Requesting Repayment
(Must Be Notarized)
- (4) _____
Principal Amount to be Repaid
- (5) _____
Date of Election

* TVA may, in its sole discretion, impose any additional authentication requirements on any Financial Institution that fails to meet the record-keeping requirements set forth above.

TVA is an agency and instrumentality of the United States Government. The making of any false or fraudulent statement or representation to TVA is a violation of federal criminal law punishable by fine, imprisonment or both.

**INSTRUCTIONS FOR EXERCISING THE REPAYMENT OPTION AND
COMPLETING THE SUMMARY ELECTION FORM AND THE
OPTION TO ELECT REPAYMENT FORM FOR
TENNESSEE VALLEY AUTHORITY
POWER BONDS 1998 SERIES D DUE JUNE 1, 2028
(PUTABLE AUTOMATIC RATE RESET SECURITIES)
CUSIP NUMBER 880591 300**

*Capitalized terms used and not defined in
these Instructions shall have the meanings defined
in the Offering Circular for the Bonds as supplemented on June 10, 1998.*

General Instructions for Exercising the Repayment Option:

The Financial Institution must:

1. Deliver a completed Summary Election Form, together with an original copy of the completed Option to Elect Repayment Form for each beneficial owner listed on such Summary Election Form, to:

Tennessee Valley Authority
ATTN: Senior Vice President and Treasurer
400 West Summit Hill Dr.
Knoxville, Tennessee 37902.

FACSIMILE TRANSMISSIONS WILL NOT BE ACCEPTED. To be valid, a properly completed Summary Election Form must be received by TVA at the above specified office *no earlier than* the relevant Reset Notification Date and *no later than* May 22 (or the prior Business Day, if such date is not a Business Day) following the Reset Notification Date.

Upon receipt of a Summary Election Form, TVA will assign an Election Number for the Bonds referred to therein and return the Summary Election Form by facsimile to the representative of the Financial Institution specified therein no later than two Business Days after receipt. *If a copy of the Summary Election Form, with the assigned Election Number, is not received by May 27, contact TVA at (865) 632-3366.*

2. Arrange for the aggregate principal amount of the Bonds set forth on the Summary Election Form to be returned to TVA through the book-entry system of The Depository Trust Company by the close of business on June 1 of the year of election (or the next succeeding Business Day, if such date is not a Business Day). If there is a delay in repayment of Bonds due to the fact that TVA cannot verify the receipt of Bonds by the close of business on the Return Date, TVA will not pay interest on such Bonds on or after the requested Return Date.

Instructions for Completing the Summary Election Form:

1. Indicate name of Financial Institution completing the Summary Election Form on line (1).
2. Indicate the aggregate principal amount of Bonds of all beneficial owners covered by the Summary Election Form on line (2).
3. Indicate the date the Summary Election Form was completed on line (3).
4. Indicate the name, mailing address (no P.O. boxes, please), telephone number and facsimile transmission number of the person to whom confirmation of these elections may be sent on line (4).
5. Indicate the name of The Depository Trust Company participant through which the Financial Institution holds the Bonds (if the Financial Institution is not a direct participant in The Depository Trust Company).
6. Indicate the name of each beneficial owner requesting repayment and the principal amount of Bonds of each such beneficial owner to be repaid on line (6).

Instructions for Completing the Option to Elect Repayment Forms:

1. Indicate the name of the beneficial owner requesting repayment on line (1).
2. Indicate the name of the Financial Institution completing the Option to Elect Repayment Form on line (2).
3. Affix authorized signature of the Financial Institution's representative on line (3). *The signature must be notarized.*
4. Indicate the principal amount of Bonds to be repaid on line (4).
5. Indicate the date the Option to Elect Repayment Form was completed on line (5).

*For assistance with the Summary Election Form
or the Option to Elect Repayment Forms or any questions relating thereto,
please telephone TVA at (888) 882-4975.*