

BUSINESS EDUCATION

Time to Save ENERGY

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No harm NO FOWL

Too many birds on the wire put reliability on the line

Randy Smitherman from the Muscle Shoals line crew leaves a helicopter to join Iain Dunn from Haverfield Aviation Inc. on the transmission tower. Helicopters transport and lift cargo and crew quickly and safely from tower to tower, avoiding rough terrain. In the past, workers had to climb each tower to install the buzzard shields. Haverfield provides aerial power-line inspection and maintenance services to the electric-power industry.

Swarms of birds on transmission towers are a nuisance, but when they're buzzards, the problem is magnified. These enduring and protected fowl can and do deliver major foul-ups to the TVA transmission system when their waste builds up on the insulators.

But when reliability is on the line, TVA

employees are quick to correct the situation.

The birds' habit of nesting above the insulators is what causes the problem: their waste quickly accumulates and hardens on the insulators, making them more conductive and potentially interrupting power transmission.

TVA's solution, according to Harold

Joly, Muscle Shoals manager of Transmission Services in Power System Operations, is to install buzzard shields at key Tennessee Valley locations where the vexing vultures congregate, starting with the Browns Ferry-Union 500-kV project.

See "No harm" on page 2

Gilliland sworn in for TVA Board

Tom Gilliland of Blairsville, Ga., was sworn in March 28 as a member of the TVA Board following his nomination by President Bush and confirmation by the U.S. Senate.

U.S. District Judge Charles Pannell administered the oath to Gilliland at the Richard B. Russell Federal Building and Courthouse in Atlanta. Gilliland becomes the seventh member of the current TVA Board.

"I am honored to serve on the TVA Board and look forward to

See "Gilliland sworn in" on page 3

From left: Tom Gilliland, his wife, Candace, and U.S. District Judge Charles Pannell Jr. at the swearing in for the TVA Board on March 28



SOX: A critical year for compliance

Accounting analysts hardly ever wear jeans to work. But Debra Hall of TVA's Financial Services was heading to Kingston Fossil Plant to document the walk-through of the plant's process for monitoring fuel supplies and obtain evidence that the proper controls are being performed.

Hall, with Financial Compliance & Regulatory Controls in the TVA Controller's office, is assigned to the Sarbanes-Oxley team. She says 2008 is a critical year for TVA in complying with

the Sarbanes-Oxley Act. After several years of preparation — identifying high-risk areas, documenting processes and identifying internal financial controls — Hall and her team are beginning to test these internal controls.

"Our goal is to have no material weakness or significant deficiencies in our internal controls over financial reporting at the end of the fiscal year," says Kim Greene, TVA chief financial officer and executive vice president of Financial Services.

Long and winding road

Many different events led up to Hall's day at Kingston. TVA began preparing for Sarbanes-Oxley compliance in 2003 when the TVA Board decided that although TVA was not required to comply with SOX until 2006, it should begin complying with certain provisions of the act. Otherwise TVA would be at risk of unfavorable public perception and potentially higher financing costs.

The testing of SOX controls is now in

See "A critical year for compliance" on page 4

what's new in employee news

Lose weight for a lifetime

Live Well is kicking off the NutriSum Online weight-loss program for TVA employees on May 5. NutriSum shows you how to change eating patterns and increase physical activity so you not only lose weight but maintain your weight loss for a lifetime. This simple, accessible, engaging online program gives you all the tools and know-how you need to succeed.

Pre-registration is required, and there are a limited number of spaces available. Call or e-mail your regional Live Well manager before April 23 to pre-register.



Inside TVA

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Inside TVA and Inside TVA Retirees Edition are available on the TVA web site at www.tvaretirees.com.

Winning Performance measures mixed for February

As of the end of February, eight of the performance measures on the TVA Winning Performance Balanced Scorecard were at or better than plan year-to-date.

Incentive awards, however, are based on three key measures — Connection Point Interruptions, Equivalent Availability Factor and Non-Fuel Operations & Maintenance Costs. Connection Point Interruptions are expected to be at or better than the threshold by the end of the fiscal year. The other two are expected to be worse than threshold by year end.

Review scorecards often

The Balanced Scorecard for February is available on the Winning Performance home page on InsideNet. The February Strategic Business Unit and Business Unit scorecards for organizations that have them also are available.

Employees are encouraged to regularly review scorecard results and improvement action plans in their business areas as well as other organizations.

After accessing the scorecard on TVA's internal Web site, click on the names of the measures and the status indicators for more information about the performance indicators, action plans and other business information.

Understand the indicators

Be aware of changes in the status indicators, because they don't mean what they used to. For instance, the square means worse than threshold but recovery may still be possible.

Winning Performance

TVA Balanced Scorecard for February 2008

	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	Threshold	GOALS Target	Stretch
Customer								
• Delivered Cost of Power Excluding FCA Costs (\$/MWh sales)		▲	33.59	33.59	34.64	33.91	33.64	33.37
• Fuel Cost Adjustment Costs (\$/MWh sales)		■	21.12	18.03	22.04	19.48	19.10	18.71
• Economic Development Index (actual/plan)		●	152	100	100	100	115	120
• Participation in Energy Efficiency & Peak Shaving Initiatives (percent)		●	96	96	96	96	97	99
• Customer Satisfaction Survey (percent satisfied)		●	86	86	84	82	86	89
• Connection Point Interruptions (interruptions/connection point)	30%	●	0.20	0.20	0.90	0.90	0.85	0.80
People								
• Cultural Health Index						64.3	66.3	68.3
• Safe Workplace (injuries/hours worked)		●	1.00	1.50	1.50	1.50	1.34	1.17
Financial								
• Debt-like Obligations/Asset Value (percent)		●	73.0	73.9	72.3	72.3	72.2	72.1
• Earnings/Asset Value (percent)		■	4.3	4.5	10.2	10.4	10.5	10.6
• Non-Fuel O&M (\$/MWh sales)	40%	▲	13.18	13.41	13.51	13.45	13.20	12.95
Assets/Operations								
• Key Environmental Metrics (index)		◆	113	114	100	100	120	140
• Megawatt Demand Reduction (MW/reduced)		◆	11.0	12.4	63.9	63.9	65.2	66.5
• Equivalent Availability Factor (percent)	30%	■	85.8	88.4	88.6	89.0	89.5	90.0

Notes:

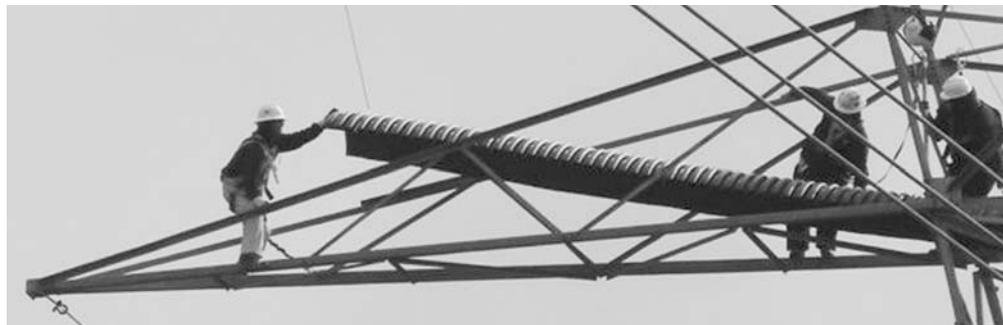
Participation in Energy Efficiency and Peak Shaving Initiatives, Customer Satisfaction Survey, Cultural Health index, and Key Environmental Metrics is not reported monthly.

Status:

- = YTD at or better than plan; forecast at or better than threshold
- ▲ = YTD at or better than plan; forecast worse than threshold
- ◆ = YTD worse than plan; forecast at or better than threshold
- = YTD worse than plan; forecast worse than threshold

This scorecard has been posted on the Winning Performance section of TVA's internal Web site.

Ask questions. Go to your management and Winning Performance contacts to help you understand what the scores mean and what you can do to impact them. — LA'NITA JONES



From left, Randy Smitherman and Reggie Wilson of the Muscle Shoals line crew and Iain Dunn of Haverfield Aviation install a buzzard shield on a transmission tower.

No harm *continued from page 1*

The shields are specially constructed plastic culverts cut lengthwise and placed on the tower arms above insulators where the droppings fall.

For heavier concentrations of the birds, massive pieces of plastic are placed atop the transmission towers 75 to 100 feet above the ground. The plastic keeps the birds from nesting without causing them any physical harm.

The shields are a big improvement over the marine-grade plywood PSO once used. Besides being ineffective, the plywood had only a 15-year life span and a tendency to rot. The life cycle of the plastic is 25 to 30 years.

Safety and efficiency are paramount in the installation method used.

"We use contracted helicopters that actually transfer the crews, shields and tools from the ground to the tower," Joly says. "With assistance from Electric System Projects construction crew members and a member of the Tupelo crew, we've been able to add shields to up to 10 structures in one day, compared to one, maybe two, on a good day manually."

Often the towers are located on extreme terrain that complicates ground travel.

Joly says interruptions on the Browns Ferry-Union line — known for having the worst record of bird disruptions — have virtually disappeared.

"There's no question that we see our line of sight to TVA's outstanding record of reliability," says Joly, adding with a smile, "We're glad this solution took wing!"

— CAROLYN BRADLEY-MINTER

ESP moves a step closer to completion

The Enterprise System Program is a TVA-wide initiative to standardize, simplify and implement industry best practices for a number of business processes.

The Enterprise Asset Management team has achieved a major milestone by completing the design phase of the program and will now move on to the build-and-test phase. The team will soon conduct its first change-readiness assessment.

To support this far-reaching business transformation, EAM's Change Champion Network will hold small group sessions to deliver key messages and training updates for the project in their business units.

The implementation of changes in work-management, supply-chain, corrective-action-planning and contractor-management processes for all strategic business units is scheduled for December 2008. The nuclear work-management component is slated for completion in June 2009.

Another achievement for EAM is the organization of the Contractor Management Team, which has been charged with streamlining TVA's management of contractors, a major factor in all processes for ESP.

Questions about the project may be e-mailed to Enterprise_Systems_Program@tva.gov. For more updates, visit the ESP portal page under Programs on InsideNet.



Make this the year you quit for good

More than 45 million Americans have quit smoking.
Have you decided to try — or try again — to give up tobacco in 2008?

Most smokers actually try to quit six to nine times before succeeding. If you've made a resolution to stop smoking or using smokeless tobacco, there's a TVA program to help you.

"In an ongoing effort to promote healthier lifestyles, TVA's tobacco-cessation program was expanded in 2007," says Kelly Lawson, program manager in Employee Benefits. "The program is designed to help people quit smoking or using smokeless tobacco."

The American Lung Association points out that smokeless tobacco is also carcinogenic, as it contains 28 cancer-causing agents.

TVA employees and their dependents — if the dependents are members of a TVA-sponsored medical plan —

are eligible to participate in the program. Reimbursement is provided for approved tobacco-cessation programs or aids, including prescription drugs such as Zyban/Wellbutrin, Chantix and nicotine inhalers, as well as over-the-counter products such as nicotine gum, patches and lozenges.

One TVA employee found that TVA's tobacco-cessation program provided the support she needed to finally give up smoking.

"I had tried to quit seven or eight times, but was unsuccessful," she says. "Then my mother, who'd been a smoker nearly all her life, died of lung cancer last year. After watching her die of this horrible disease, I knew I had to quit."

Friends had told her about quitting successfully with the help of a useful but

expensive drug called Chantix. She decided to give it a try when she found out that TVA would reimburse 100 percent of the drug's cost. The employee completed the program and has been a nonsmoker for more than six months.

"I feel so much better now," she says. "I can't thank TVA enough for the support, and I encourage everyone to take advantage of this program."

To participate in the program, employees need to complete TVA Form 11572. The tobacco-cessation policy is available in the Principles & Practices manual under Policy Administration on TVA's internal Web site. TVA's Employee Assistance Program also offers short-term, confidential counseling to help with nicotine-addictive behaviors.

Your Health Counts

What a difference quitting can make...

At 20 minutes Blood pressure decreases	At 1 year Risk of a heart attack is reduced by half
At 8 hours Carbon monoxide and oxygen levels in blood become normal	At 5+ years Stroke risk is reduced to that of people who have never smoked
At 24 hours Chance of heart attack decreases	At 10+ years Risk of lung cancer drops
At 48 hours Ability to smell and taste is enhanced	At 15+ years Risk of coronary heart disease and death is similar to that of people who have never smoked
At 2 - 12 weeks Circulation and lung function improve	

Source: American Lung Association site: www.lungusa.org

Gilliland sworn in

continued from page 1

serving with my colleagues on the board to help TVA meet the challenges of the 21st century and make the Tennessee Valley a better place to live and work for everyone," said Gilliland. "I am grateful to President Bush for nominating me, and I appreciate the support I received from Senators Johnny Isakson and Saxby Chambliss."

President Bush nominated Gilliland for the board post last July, and the Senate confirmed the appointment March 13. His term expires May 18, 2011.

"On behalf of the board, I congratulate Tom Gilliland and welcome him to the TVA Board," said TVA Chairman Bill Sansom. "He will begin working with the board immediately."

A native of Atlanta, Gilliland and his family live in Blairsville, where he recently retired as executive vice president, general counsel and secretary of United Community Banks Inc. He is a former chief of staff to Georgia Lt. Gov. Pierre Howard and served as chairman of the Stone Mountain Authority under Georgia Govs. Roy Barnes and Sonny Perdue. Gilliland is a graduate of the University of Georgia and has a law degree from Emory University. He joins Sansom and Directors Dennis Bottorff, Don DePriest, Mike Duncan, Skila Harris and Howard Thraikill on the TVA Board.

William Graves of Memphis and Susan Richardson Williams of Knoxville have been re-nominated for new terms on the nine-member board and are awaiting confirmation by the Senate.

ONE HIT A WEEK

A system that cuts light bills by 75 percent

A pilot program that gives individuals control over their own workspace lighting is showing impressive results, knocking more than \$700 off a year's light bill for a single floor of office space.

About two years ago, David Dinse of Research & Technology Applications and David Smith and David Zimmerman of Facilities Management developed an idea for a lighting system that would attach to workstations. This system would do the following:

- Allow employees to adjust their workstation lighting levels through their computers.
- Incorporate daylight harvesting.
- Use motion sensors to turn lights off in empty workspaces.

The team sought out manufacturers and reviewed methods for mounting the lights. They accepted a bid from Lightolier of Fall River, Mass., to install a prototype system with 21 lights and computer controls on the first floor of Blue Ridge in the Chattanooga Office Complex.

Because the lighting system is controlled by a software program on TVA's network, it can generate usage reports, which makes it easy to calculate the energy savings.

During a 10-month test period, the new system used an average of less than 10 kilowatt-hours a day, compared with



Three Davids — from left, Dinse, Zimmerman and Smith — came up with one great idea to reduce TVA's energy costs for lighting.

39 kWh with the old lighting. This translates into a savings of about \$736 a year for an office space of 1,935 square feet. Since less heat is generated from lighting fixtures, the system also saves on air-conditioning costs. In addition, maintenance costs are lower because it is far easier to replace fluorescent tubes in the workstation-mounted system.

— BROOKS CLARK

BUY GREEN — IT'S CLEAN

When TVA goes shopping, green is at the top of the list. It's all part of "green procurement," TVA's initiative that requires employees, whenever economically feasible, to buy products that reduce the impact on the environment.

"Buying green products shows we're committed to our environmental policy," says Paul LaPointe, senior vice president of Procurement. "It also reduces TVA's footprint on the environment."

What's green?

Here are some examples of green products, according to LaPointe:

- Those made from recycled materials, such as copier paper with at least 30 percent recycled content
- Energy-efficient products, such as compact

- fluorescent light bulbs, and any that carry the Energy Star certification
- Products that are free of excessive packaging, which reduces landfill volume
- Items that don't contain and aren't manufactured with hazardous or toxic materials
- Products that can be easily recycled at the end of their useful life
- Those that use fewer resources to manufacture.

LaPointe says that buying green and being environmentally conscious can also be a personal commitment.

"As consumers, we can help save the planet by making good choices. It's worth it, for our future."

TVA's Green Procurement Policy applies in

all of the following cases:

- When ordering office supplies and products
- When requesting electronic equipment
- When determining whether environmentally friendly products are available
- When using a TVA purchasing card for materials or supplies.

For more information on TVA's Green Procurement Plan, energy-efficiency efforts and green products, visit the following Web sites:

- TVA's Environmental Information Center on InsideNet
- www.energystar.gov
- www.ofee.gov/gp/gp.asp
- www.greenseal.org/
- www.tvakids.com.

— KELLEY MURRAY

A critical year for compliance *continued from page 1*

full swing. The Office of the Inspector General, TVA management and external auditors are reviewing 68 TVA business processes to ensure that the information created at each step accurately reflects TVA's business events and related controls. A review of the coal-supply inventory adjustment process led to Hall's walk-through audit at Kingston.

Hall was accompanied by her boss, Bob Wells, SOX director; Ken Chambers, manager of Controls, Testing & Monitoring; Jennifer Dooley, manager of Regional Finance; and Robert Stinson, manager of Inventory Accounting. Kingston Shift Supervisor Frank Roberts showed them how coal moves through the plant and how it's accounted for at every step of the way. Hall and the team checked that the controls allow employees to detect "misstatements," such as errors in inputting data or processing receipts.

Let's see if it works!

Hall began by reviewing the data in the FuelWorx system, which is used to track the coal-invoicing process.

"Already the fuel had passed through many hands, and the point of my review was to ensure that all data entered is checked by a second person so people aren't validating their own work," she says.

Hall's review also focused on the accounting functions: matching inventory received to the receipts from the contract and ensuring that inventory was received in the time contracted.

No longer a test run

Process owners, the people who perform the work



From left: Debra Hall, Ken Chambers, Robert Stinson, Bob Wells and Frank Roberts tour Kingston Fossil Plant.

activities and maintain documentation of financial internal controls, need to verify that their controls are effective now, says Wells.

"Controls need to operate all year long, not just at the end of the year when they're tested," he says.

Wells says employees' role in maintaining effective internal controls over financial reporting is critical to the success of SOX compliance. Many procedures, such as reconciliations and number verifications, are done manually, so precision in performing these tasks makes all the difference.

Hall's day at Kingston revealed the plant's controls to be deficiency-free. The next step for the SOX program management office will be testing control processes at other fossil plants, as well as testing and planning remediation for other processes.

To follow the progress of the SOX program, go to the TVA internal Web site.

— ELIZABETH MOORE

75th Fever!

- Attend one of the many local celebrations to be held at TVA plants and sites.
- Order anniversary merchandise online.
- Stay tuned to local media for news about the anniversary and the film.
- Visit www.tva.com for memorable stories about TVA's heritage.
- Look for a special *Inside TVA* edition in May.



Tag(line), they're it!

It took two to tango and create the winning tagline selected for the celebration of TVA's 75th anniversary: "Powerful past. Bright future."

When asked to submit tagline ideas for the anniversary, employees sent in more than 165 entries. **Rohn Poe**, senior instrument mechanic at Sequoyah Nuclear Plant, and **Mark Calvert**, attorney in the Office of the General Counsel, penned two very similar ideas that combined perfectly to create the winning tagline. The two will receive special anniversary shirts for their winning submissions. (Get your own shirt and other anniversary memorabilia on InsideNet.)



Rohn Poe

Mark Calvert

CHANGE IN THE AIR

Just in time for TVA's big anniversary party, *Inside TVA* is getting a makeover!

Long a steady source of information for all of TVA, the paper will get a new look and a new focus as it reinvents itself to serve the changing needs of TVA and its employees.

The publication will feature a stronger emphasis on the people of TVA, more graphics and photos, and a fresh, contemporary style. Watch for it after the special anniversary edition in May.

people, plaudits and promotions

Dudley Clark has been named Transmission & Operations Maintenance Employee of the Year for 2007. Clark is a 20-year TVA veteran and serves as the system engineer for the Starkville Transmission Service Center. He is described as a detailed and inventive worker who takes pride in his work and is always helpful and encouraging to his co-workers. Business Support Reps Sherry Garrett and Annie Wilson also were honored as outstanding TOM employees.



Dudley Clark

Tony Elms has been promoted to assistant plant manager of Browns Ferry Nuclear Plant, with responsibility for Operations, Maintenance & Modifications, Radiation Protection and Chemistry. He will help those groups align on team priorities, consistently demonstrate positive behaviors and strengthen overall performance. Elms joined Browns Ferry in 1980 as an assistant unit operator.



Tony Elms

Christopher Chaney earned the 2007 Heart Award for the Middle Tennessee and Nashville Combined Federal Campaign "by demonstrating tremendous determination and commitment to the CFC." Chaney, manager of Residential Products in Customer Resources, is the first loaned executive to receive the honor.



Christopher Chaney

Rusty West has joined TVA as site vice president for Browns Ferry. West, formerly vice president at Exelon's

Three Mile Island Station, brings with him more than 25 years of experience in the nuclear industry at boiling-water and pressurized-water plants.



Rusty West

Three TVA employees were honored at the Chattanooga Area Engineers Week banquet in late February. **Jeff Nelson** was named Chattanooga Area Outstanding Engineer of the Year, the highest award given to an individual by the Chattanooga Engineers Club. It is presented to an engineer who has made outstanding professional contributions to the profession, public welfare and/or humankind. Nelson is an electrical engineering designer in Power System Operations.



Jeff Nelson

Jim Kurtz received the Philip J. Sutton People-To-People Award for "unselfish devotion to public service" and "outstanding personal and professional contributions." Kurtz is manager, Protection & Control in PSO.



Jim Kurtz

Paul Barnett was named Chattanooga Area Young Engineer of the Year. This award recognizes young engineers who have made outstanding contributions to the engineering profession and their communities during the early years of their careers. Barnett is an electrical engineering designer in PSO.



Paul Barnett

Nuclear Power Group Professionals of the Year for 2007

The Nuclear Power Group has selected six employees as Professionals of the Year for 2007.

Rodney Camp, **Brandon Patterson** and **Arden Seaborn** were named Nuclear Maintenance Professionals of the Year. Camp, a foreman at Browns Ferry, was chosen for his safety consciousness, commitment to human-performance tools, leadership and motivation skills, and knowledge sharing, as well as his trustworthiness.

Patterson, a steamfitter at Watts Bar, was selected for always putting safety first, promoting teamwork, taking pride in his work and his willingness to answer questions.

Seaborn, a maintenance engineer at Sequoyah, was recognized for his organizational skills, dedication, professionalism, willingness to accept new assignments and problem-solving skills.



Rodney Camp



Brandon Patterson



Arden Seaborn

Vernell McClure, **Bobby Swinea** and **Steve Tinker** were named Radiation Protection, Chemistry & Environment Professionals of the Year.

McClure, a physicist at Watts Bar, was chosen for her many tireless hours of research, commitment to helping others be successful, positive attitude and dedication to teamwork.

Swinea, a health physicist at Browns Ferry, was recognized for being flexible, promoting teamwork, mentoring other employees and adjusting his schedule as necessary to meet plant schedules.

Tinker, a radiation protection technician at Sequoyah, was selected for his level-headedness, attention to detail, willingness to take on difficult tasks and the respect with which he treats others.



Vernell McClure



Bobby Swinea



Steve Tinker