

3 R D Q U A R T E R

# 2004 Operational Report to Congress

A P R I L - J U N E 2 0 0 4

## *Highlights*

**The TVA Board adopted a new operating policy for the reservoir system that increases recreational opportunities.**

- The TVA Board adopted a new operating policy for the reservoir system that increases recreational opportunities and improves navigation while maintaining effective flood control protection. The policy that went into effect June 1 is the result of an extensive two-year study that included input from stakeholders throughout the region. Under the revised operating guidelines, tributary reservoir levels will remain higher until Labor Day to increase recreational and tourism benefits with minimal impact on the cost of generation. Information about the revised water flow schedules is posted at [www.tva.com](http://www.tva.com).
- A Readiness Audit conducted by the North American Electric Reliability Council found that TVA has the systems, tools, and processes to reliably operate its transmission control area. The audit cited TVA as a “best practice” industry leader in several areas, including its system and area monitoring, backup capabilities, and culture of reliability. The audit team included representatives from the Federal Energy Regulatory Commission.
- Karl W. Singer was named Chief Nuclear Officer and Executive Vice President of TVA Nuclear, effective June 1. Singer succeeded John A. Scalice, who retired.
- Average power demand across the Tennessee Valley set a record in May. The average hourly demand on the TVA power system that month was almost 2,000 megawatts higher than the previous record average of 17,528 megawatts set in May 2002.

## *Milestones*

### **POWER SYSTEM**

- Ten additional selective catalytic reduction (SCR) systems are now online to remove nitrogen oxide (NO<sub>x</sub>) emissions during the summer ozone season. A total of 18 SCRs are operating on TVA fossil units: 12 in Tennessee, three in Alabama, and three in Kentucky. By 2005, NO<sub>x</sub> emissions from TVA units are expected to be reduced by 75 percent during the summer ozone season, compared with 1995 levels.



- TVA, PJM, and the Midwest Independent System Operator executed a significant data exchange agreement that will strengthen regional reliability among the three transmission systems by sharing grid data on a continuous basis. All three parties are crafting a coordination agreement to address power flows, regional transmission planning, and other issues.
- Upgrading of TVA's transmission system continues with the addition of six new delivery points and 15 miles of transmission line. Metering was upgraded at two substations, two generating stations, four interchange locations, and nine customer points. The upgrades improve reliability and provide additional data necessary to optimize power system resources.
- Evaluations are under way to test NO<sub>x</sub>STAR, an alternative NO<sub>x</sub> removal technology, on a generating unit at Colbert Fossil Plant in Alabama. If successful, the technology will be used on other units at Colbert.
- Work is progressing on construction of a scrubber for Unit 3 at Paradise Fossil Plant in Kentucky to further reduce sulfur dioxide emissions. The concrete shell of the 600-foot stack is complete, and work to allow the tie-in of the scrubber to the existing plant structure is under way. The scrubber is scheduled to be operational in late 2006. TVA also plans to install scrubbers on units at Bull Run, Colbert, and Kingston fossil plants.
- TVA is participating in a joint venture with Consol Energy, EPRI, and the Department of Energy to learn more about mercury emission reductions with different types of environmental controls. The work is being performed at Cumberland Fossil Plant, which is equipped with scrubbers to remove sulfur dioxide and SCRs to remove nitrogen oxide emissions.
- Generating units at Shawnee, Gallatin, and Widows Creek fossil plants exceeded or established continuous operation records during the third quarter.
- Two major safety milestones were met at fossil plants during the quarter. Employees at John Sevier Fossil Plant in Tennessee completed 14 years without a lost-time injury, and employees at Colbert Fossil Plant in Alabama completed six million work-hours since the last lost-time injury in 1992.
- The National Association of Construction Boilermaker Employees presented Allen Fossil Plant near Memphis with an award recognizing exemplary plant performance for completing a scheduled 55-day outage in 49 days.
- The Department of Energy will provide \$2.1 million in funding for completion of a study to validate the construction costs and schedule for an advanced boiling water reactor at the Bellefonte Nuclear Plant site. A team that includes TVA, General Electric, Bechtel, Toshiba, the U.S. Enrichment Corp., and Global Nuclear Fuel-Americas is conducting the study.

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- TVA began the first movement of spent nuclear fuel into dry cask storage units at Sequoyah Nuclear Plant in June. The casks will be placed on a pad outside the plant within a protected area. Moving spent fuel from the plant's storage pool into dry cask units will become an annual task for the TVA nuclear program for the foreseeable future.
- The Nuclear Regulatory Commission determined that a 28-month schedule is needed to review the Browns Ferry license renewal application. The schedule will not impact plant operations or the restart date for Browns Ferry Unit 1.
- TVA and other federal, state, and local agencies conducted a successful emergency preparedness exercise for Sequoyah in June. The exercise evaluated about 1,000 TVA and state and local emergency responders in Hamilton and Bradley counties on their responses to ensure the public health and safety.

## CUSTOMER SERVICE & MARKETING

A partnership between TVA and Oak Ridge National Laboratory will allow researchers and scientists at colleges and universities across the Valley to connect to ORNL's supercomputer.

- A partnership between TVA and Oak Ridge National Laboratory (ORNL) will allow researchers and scientists at colleges and universities across the Valley to connect to ORNL's supercomputer center. The partnership takes advantage of the TVA fiber infrastructure in helping the Southeast deploy a world-class communications network for scientific and clinical research, technology development, and education. The partnership provides universities with access to valuable research and helps the region capitalize on economic development in the technology sector.
- TVA and its distributors renewed the Comprehensive Services Program that uses TVA engineering and technical expertise to develop energy solutions for commercial and industrial customers served by local utilities.
- TVA's *energy right*® Program continued a year-long heat pump loan promotion that began in March to encourage installation of high-efficiency heat pumps. Heat pumps that meet the efficiency standards of the Energy Star® Program qualify for a 7-percent loan through a third party. Since the promotion began, the percentage of high-efficiency heat pump installations has increased from about 50 percent to 84 percent of total installations.

## RIVER SYSTEM OPERATIONS & ENVIRONMENT

- TVA and the Ocoee River Outfitters Association signed a contract that provides for 54 days of recreational water releases on the upper Ocoee River during this year's rafting season.
- Rainfall across the Tennessee Valley averaged 13.2 inches (104 percent of normal) and runoff averaged 5.0 inches (82 percent of normal) during the third quarter. The quarter ended with seven tributary projects at or slightly above flood guide levels.

**Modernization work was completed on the first of two generating units at Apalachia Dam.**

- Unit 1 at Guntersville Hydro Plant experienced a wicket gate failure on April 22 that caused severe vibrations that damaged the turbine and support structures. Because of the lead time required to have replacement gates manufactured, the 40-megawatt unit is expected to be out of service until summer 2005.
- Modernization work was completed on the first of two generating units at Apalachia Dam, increasing the unit's output by 3.5 megawatts, or about 10 percent. Similar work will be done on the other unit at the 61-year-old hydro plant. Because of the remote location, about 13 miles of abandoned rail line was reopened by TVA to allow shipment of the new transformer. The rail line is owned by a local economic development organization that is using the reopened section for scenic rail trips.
- The 2002-2003 TVA Environmental Report was distributed to Valley stakeholders. The report highlights TVA's progress toward improving the region's air and water quality, the continued focus on renewable energy, and development of technologies to reduce operational impacts on the environment. A Web-based version is available at [www.tva.com/envreport](http://www.tva.com/envreport).
- A new Environmental Reviews Web site describing ongoing and completed NEPA reviews was added to [www.tva.com](http://www.tva.com). The site lists projects for which TVA is preparing or has completed an Environmental Assessment or an Environmental Impact Statement. Opportunities for public involvement are highlighted.
- TVA met with representatives of the Great Smoky Mountains National Park, the U.S. Forest Service, and the Eastern Band of Cherokee Indians to develop a cultural resources site-monitoring program. The group will train volunteers to recognize and monitor threatened cultural resource sites on federal lands in the Southern Appalachian region. Areas of focus for TVA include Apalachia, Blue Ridge, Fontana, Hiwassee, Chatuge, Nottely, and Ocoee reservoirs.
- TVA conducted its Spring Sportfish Survey to help determine the number, age, and health of black bass and crappie populations in the Valley. More than 3,500 black bass were sampled during a three-week period. A 10.3-pound largemouth bass (Guntersville) was the largest collected.
- TVA hosted a watershed action planning workshop for the Sequatchie River Interagency Team in Dunlap, Tennessee. The workshop brought together federal, state, and local agencies that have an interest in the Sequatchie watershed.

**TVA's economic development efforts continued to support job growth in the region.**

## **ECONOMIC DEVELOPMENT**

- TVA's economic development efforts continued to support job growth in the region. Several industries announced they will locate new facilities in the region or expand existing operations:
  - Burlington Northern Santa Fe (BNSF) announced plans to expand its Tennessee rail yard and intermodal facility in Memphis. Over the next few years, BNSF plans to invest \$100 million in the site and employ 150. TVA partnered with the city of Memphis; the Memphis Regional Chamber; Memphis Light, Gas and Water; and the state of Tennessee on the project.
  - Webasto Roof Systems, the world's largest manufacturer of automobile sunroof assemblies, will locate in Murray, Kentucky. The German company will invest \$14 million in a 105,000-square-foot facility in the Murray-Calloway County Industrial Park. Within three years, the company plans to have a capital investment of \$22 million and employ more than 160 workers. TVA provided financial and technical assistance.
  - DuPont Tate & Lyle BioProducts LLC, a new partnership between DuPont and the British sugar and sweetener producer Tate & Lyle, will build an \$80-million plant in Loudon County, Tennessee, that will create 100 jobs and have a power demand of 15 MW. The company will use corn to produce a chemical that can replace petrochemicals used in synthetic fibers and plastics. TVA provided financial and technical assistance.
  - MW/MB is building a major manufacturing operation in Clarksville, Tennessee. The partnership of Tamko Roofing Products Inc., based in Joplin, Missouri, and IKO Industries of Calgary, Alberta, will operate the plant under the name of MW/MB LLC. The \$100-million plant will create about 100 jobs to produce glass fiber strands, and will have a power demand of up to 12 MW. TVA economic development programs and TVA power rates were primary factors in the site selection.
  - Wright-K Technologies, a Michigan-based automotive company with an operation in Huntsville, announced plans to expand in Limestone County, Alabama. TVA provided environmental expertise to help expedite the project. The company plans to hire 30 people and increase employment to 100 this summer.
  - The *Bristol Herald Courier* announced it will build a state-of-the-art printing plant at the Bristol, Tennessee, Industrial Park. The project will generate 40 jobs, \$16 million in capital investment, and an electrical load of 500 kW. TVA provided engineering services.
  - Wayne Farms LLC of Oakwood, Georgia, announced it will build a \$55-million chicken processing plant in Decatur, Alabama, that will create 191 jobs when completed in 2006. TVA provided financial assistance.

- The Rutherford County Commission approved an industrial inducement contract with General Mills for a \$70 million expansion in Murfreesboro, Tennessee, that will create about 100 jobs. The agreement is expected to save General Mills \$3.28 million in county taxes over a six-year period. Terms of the contract also require that two General Mills supplier companies add 25 employees each.
- TVA approved a loan to assist the expansion of Petrostone Industries in Loudon County, Tennessee. The funds will be used to buy equipment for the \$1.3-million project, which will create 60 jobs. Petrostone manufactures engineered-stone flooring and countertop products.
- A Native American-owned company, Southeastern Industrial Resources Inc., announced it will build a plant in Marshall County, Alabama. The company makes bracket systems for installing benches on decks and patios. The plant will employ 18 people during the first year and expand to 35 within four years.
- Scepter Inc. will add 10 jobs at its Waverly, Tennessee, plant, which produces aluminum ingots for auto engine parts.
- Whitfield Furniture announced it will expand its operation to Tishomingo County, Mississippi. The locally owned company will move into the former Jacuzzi Building and create 60 jobs.
- Schenectady International Inc. (SI), a world leader in the production of alkyphenols and a leading global producer of performance resins, has purchased a 110-acre site and facility in Newport, Tennessee, from Great Lakes Chemical. The site will undergo a major renovation during the next 12 months, and SI will announce plans for the facility at a future date.
- Gold Kist in Russellville, Alabama, will expand its work force by 200 jobs with a \$2-million investment in a new production line. TVA provided technical assistance for expansion of the Franklin County plant, where Gold Kist processes about nine million pounds of chicken per week. The expansion boosts plant employment to 1,900.
- Johnson Propellers will expand its operations to Hawkins County, Tennessee, with a \$1.1-million plant that will employ 60 people. The company, which manufactures propeller shafts and blades for boats, has a plant in Loudon, Tennessee. TVA provided financial assistance for the project.
- Exedy America, formerly known as Daikin Drivetrain Components Corporation, announced a \$56-million expansion at its auto parts plant in Knox County, Tennessee. The project will create 200 jobs and add 1,500 kW of power load. Gov. Phil Bredesen and Koji Akita, president of Exedy America, attended the announcement event. TVA provided financial assistance.

**TVA is partnering with University of Tennessee Manufacturing Services to help Worldwide Lines undertake a \$5 million expansion.**

– TVA is partnering with University of Tennessee Manufacturing Services to help Worldwide Lines undertake a \$5 million expansion into a new facility in Covington, Tennessee. TVA and UT are providing industrial engineering assistance for the program, which will create 90 jobs and add up to 1 MW of power load. Worldwide prints logos on items such as coffee mugs, mouse pads, and plates.

- TVA processed 10 loans totaling \$2.3 million through its economic development loan programs during the quarter.
- The 2004 Tennessee Valley Corridor Summit was held in Knoxville and Oak Ridge May 31-June 2. Speakers included Secretary of Homeland Security Tom Ridge, Gov. Phil Bredesen, and U.S. Representatives Wamp, Duncan, Davis, and Rogers. The summit, now in its 10th year, was initiated by Congressman Wamp to promote collaboration on technology-focused economic development efforts in the corridor that runs from southeastern Kentucky and southwestern Virginia to northern Alabama. About 750 people attended. The next summit will be in Somerset, Kentucky, in November.
- Tennessee Valley Corridor Inc. won a 2004 Excellence in Economic Development Award from the U.S. Department of Commerce. The award honors efforts that enhance regional competitiveness and support long-term development of the regional economy. TVA has sponsored the two annual regional economic summits hosted by the Corridor.
- The latest issue of TVA's Valley Connection, an electronic newsletter on economic development, was released to more than 2,500 site selection consultants, economic development professionals, and elected officials. This issue highlights TVAsites.com, a building and land database.
- More than 125 people, including community leaders and economic developers, attended the kickoff of the megasite certification program for automotive manufacturing and assembly plants. TVA Chairman Glenn McCullough discussed the significance of the program, and McCallum Sweeney Consulting presented an industry overview and outlined the process for submitting sites.
- The Appalachian Regional Commission (ARC) has asked TVA to manage implementation of 10 new projects with a total grant value of \$2.6 million. The projects for community infrastructure will create or retain about 800 jobs. TVA manages 35-40 ARC projects annually with a total grant value of over \$20 million.
- TVA hosted the third and final videoconference in the Spotlight on Eastern Europe Series. U.S. Ambassador to Hungary George Walker kicked off the videoconference, which focused on exporting products to Hungary.
- TVA worked with Valley community and economic development officials to promote use of the eSynchronist business system for supporting local industry. eSynchronist is an online turnkey system that allows economic developers to capture and analyze data useful for meeting the needs of local industry.

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## FINANCE

- Operating revenue for the three months ended June 30, 2004, was \$1.857 billion, which is \$227 million higher than for the same period last year. The increase is primarily due to the rate increase effective for fiscal year 2004 and higher sales of electricity during the quarter. For the nine-month period ended June 30, operating revenues were \$5.513 billion, which is \$28 million lower than for the same period last year.
- Interest expense for the three months ended June 30, 2004, was \$326 million, which is \$6 million lower than for the same period last year. The reduction is primarily related to a lower overall level of outstanding debt during the third quarter. For the nine-month period, interest expense is \$28 million lower than for the same period last year.
- The TVA Retirement System Board added several accounts to the system's fixed benefit fund: a domestic small capitalization portfolio with Barclay Global Investors, an international portfolio managed by The Boston Company Asset Management, and a fixed income portfolio managed by PIMCO and Western Asset Management Co.
- Holders of TVA's 1999 Series A Putable Automatic Rate Reset Securities (PARRS) had the opportunity to redeem their holdings at the par amount when the rates automatically reset downward from 6.50 percent to the new rate of 5.62 percent. The bonds have a feature that provides for an automatic reduction in the coupon rate under certain conditions. TVA redeemed \$115 million at the request of bondholders, which equated to 22 percent of the outstanding balance. The new coupon rate on the remaining balance will save TVA approximately \$3.6 million in annual interest expense.

## CORPORATE

- Actions are under way to implement the TVA Strategic Plan adopted in January. Several cost reduction initiatives are being taken to generate more cash flow to reduce financial obligations, including debt. TVA is also collaborating with power distributors to develop pricing and contracting strategies that will be consistent with more competitive markets.
- TVA was honored by the Balanced Scorecard Collaborative as a "Best Practice" organization for use of its Balanced Scorecard to align resources and support continuous improvement. TVA is the only electric utility in the U.S. and one of only three government organizations to be honored for using the scorecard program to measure performance and execute strategy.

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**The TVA Police are working  
with the state homeland  
security departments in  
Alabama, Tennessee, and  
Kentucky.**

- TVA has reduced its office space portfolio by more than 493,000 square feet since adoption of its strategic facilities plan in June 2001. During the quarter, 34,000 square feet of leased space in Chattanooga was vacated. Another 57,500 square feet of office and laboratory space in Norris, Tennessee, will be vacated by the end of the calendar year. TVA is actively marketing the Norris buildings and its 12-story East Tower building in downtown Knoxville.
- The Tennessee Department of Transportation, TVA, and the Federal Highway Administration are partnering to replace the deteriorated bridge deck across Watts Bar Dam. The bridge will be closed to traffic for five months beginning in mid-August. Traffic will be detoured to State Highway 30.
- The TVA IT Security Program continues to implement risk assessments and other actions to meet federal requirements.
- The TVA Police are working with the state homeland security departments in Alabama, Tennessee, and Kentucky to develop buffer zone protection plans for TVA facilities designated as critical infrastructure/key assets.
- The TVA Police are working with the U.S. Department of Homeland Security in an interagency effort to address an increased risk period that began this spring and continues through the Presidential inauguration in January 2005.
- The TVA Police assisted the Tennessee and Alabama emergency management agencies in developing their state hazard mitigation plans.
- TVA hosted 10 international visitors during the quarter from China, Korea, and Japan, including representatives from Kansai Electric Power Co. and Chugoku Electric Power Co. of Hiroshima.
- Five Honda Civic hybrid cars were procured through the General Services Administration, bringing the total number of hybrid vehicles in the TVA fleet to 18. The cars will replace older, high-mileage sedans and help reduce fuel consumption and emissions.

## **STATE NEWS**

### **ALABAMA**

- The Decatur Business Incubator is adding 22 offices and 10 larger spaces for industrial prospects. The incubator began in 1990 with help from TVA and is part of TVA's Business Incubation Network. The incubator currently houses 10 businesses and is funded by the city of Decatur.
- The Foreign Trade Representatives Group from Atlanta visited Huntsville to learn about the north Alabama region and TVA's programs and services. The visit will help strengthen ties with key partners for international trade and promote increased exports and direct foreign investment.

- TVA staff participated in a meeting with site selection consultants in Chicago organized by the North Alabama Industrial Development Association. U.S. Congressmen Cramer and Aderholt spoke to representatives from the site consulting firms and industries with plants in North Alabama, including BP and U.S. Gypsum.
- TVA and the Alabama Development Office (ADO) helped sponsor the state's participation in the Hanover, Germany, Industry Fair, which is one of the largest industry trade shows in the world. The eight-member Alabama delegation included representatives from TVA, ADO, and Alabama Power, and community leaders.
- BizTech, a technology incubator in Huntsville, held a grand opening for its new facility with Congressman Cramer as keynote speaker. TVA helped establish the incubator about eight years ago.
- TVA closed a Minority Business Development Loan for ACE Metals, a minority company that recycles aluminum in Scottsboro, Alabama. The \$2-million project will employ 44 workers and is the only minority-owned recycling facility of its kind.
- TVA participated in a site consultants' meeting in New York with staff from North Alabama Industrial Development Association and local economic development groups. Speakers included Congressmen Cramer and Aderholt and the senior vice president of Toyota Motor Manufacturing North America Inc.
- TVA is assisting Hartselle city officials with industrial development efforts. The city plans to expand its industrial park into a 200-acre development.
- SCA Tissue marked the start of production at its new facility in Colbert County. The 1.4 million-square-foot plant on 70 acres employs 240 people and has a capital investment of \$240 million.
- TVA will serve on the Economic Development Partnership of Alabama's Utility Advisory Committee. The committee supports existing industry efforts.
- Topre America held a grand opening for its Cullman plant. TVA provided financial assistance for the project, which has a capital investment of \$124 million and 250 employees. The 250,000-square-foot plant in Industrial Park Number III produces metal auto parts for Honda, Nissan, Toyota, and Calsonic.

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facility in Colbert County.**

**TVA assisted the Northwest Georgia Joint Development Authority with an ARC grant application for a rail spur.**

## **GEORGIA**

- TVA participated in a Georgia Economic Developers meeting in Atlanta that featured nanotechnology. Following the meeting, eSpin Technologies provided a tour of its nanotechnology company in Chattanooga, which recently received a loan from the TVA Minority Business Development Loan Fund.
- TVA assisted the Northwest Georgia Joint Development Authority with an ARC grant application for a rail spur. If the spur is funded, a Rock Spring business will expand and add 20 employees.
- Georgia Electric Membership Corporation, the statewide organization of Georgia cooperatives, visited North Georgia Electric Membership Corporation's service area to learn more about the part of the state served by TVA. TVA presented information on economic development services as part of a two-day tour to discuss resources.
- TVA co-sponsored the first Catoosa County Economic Development Summit in Rossville to develop a strategic plan for the community. Members of the Southeast Industrial Development Association were panelists for the workshops.
- TVA was a sponsor of the Georgia Economic Development Association's spring conference in Augusta. More than 250 community and business leaders participated.

## **KENTUCKY**

- TVA completed a conceptual site plan for the Edmonson County Industrial Park. Edmonson County officials plan to build the park's third speculative industrial building. TVA provided the plans for the park and two speculative buildings now occupied by Jasco International and Yahagi Sangyo Inc.
- TVA provided detailed information about automotive assembly plants and suppliers within 150 miles of Princeton, Kentucky, to assist with an industrial recruiting trip. The Caldwell/Lyon Partnership and the Princeton Electric Plant Board sponsored the trip to Michigan, where the group visited four automotive-related companies. Three companies indicated possible future projects.
- TVA partnered with West Kentucky Corporation and community economic developers to host an event at Lake Barkley State Park. Attendees included representatives from Agracel, Binswanger, Forcum-Lannom, Hart Corporation, James N. Gray Company, Mohr Partners, Morsey Inc., Murphy Contracting, and Trammell Crow.
- Paducah Bank and Union Planters Bank in Paducah became the first two Kentucky banks to join the Valley Coalition. The banks are interested in leveraging resources and partnering to provide loans to minority- and women-owned businesses.

## MISSISSIPPI

- TVA closed a loan from the Special Opportunities Counties Fund to help Kirkland Boats of Charleston. The company, which manufactures boat molds, will use the funds to purchase additional equipment for expanding its customer base.
- Leland Speed, Executive Director of the Mississippi Development Authority (MDA), announced a statewide initiative to use the eSynchronist system. Representatives from MDA, the Mississippi Manufacturers Association, and TVA participated in a news conference on how the system will help existing industries and create jobs.
- TVA Technical Services prepared base site plans for five Lane Industries furniture plants in northeast Mississippi. The company plans to use the engineering drawings in assessing the expansion potential for the sites in Belden, Pontotoc, Saltillo, Verona, and Wren.
- DeSoto, Neshoba, Leake, and Lowndes counties hosted industrial appreciation events to recognize new and expanding industries. TVA supported the events attended by more than 1,000 community and business leaders.
- TVA provided building and site conceptual designs at the request of the Monroe County Chamber for a prospect interested in locating a \$10-million project.

## TENNESSEE

- Benton Banking Company of Benton, Tennessee, became the 16th member of the Valley Coalition for Business Development, a public-private partnership between TVA and Valley financial institutions to help growing companies. The bank partnered with TVA Economic Development to assist American Custom Manufacturing in Cleveland in creating 65 jobs.
- Aisin Automotive Casting Tennessee Inc. broke ground for its \$67-million auto parts plant in Clinton. The Japanese company will make aluminum die-cast engine components and plans to employ 400 people by 2007. The state's incentive package included funding from several partners, including TVA.
- TVA hosted a briefing for Congressional staffers from the Middle Tennessee region. TVA provided an update from Chairman McCullough and information on economic development initiatives and transmission projects. Staff representing Senator Alexander and Representatives Blackburn, Cooper, Davis, and Gordon attended.

**Aisin Automotive Casting  
Tennessee Inc. broke  
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auto parts plant in Clinton.**

- The Oak Ridge Chamber of Commerce held its annual industrial appreciation luncheon, with TVA Director Baxter delivering the keynote address. Mayor David Bradshaw commended TVA’s assistance to the city and its industries, including TVA loans to NuSAFE, Protomet, and InsLogic; improvements to the Oak Ridge rowing venue at Melton Hill Lake; and support for the Spallation Neutron Source project.
- TVA is providing financial assistance as part of a \$20-million upgrade of the Gerdau Ameristeel plant in Knoxville to help retain 250 jobs. The plant is making electrical infrastructure and equipment upgrades to improve production reliability.
- The Streetscape Program in Crossville has developed a list of goals for the next three years to make the downtown area more attractive for economic growth. TVA staff facilitated the process.
- TVA was a co-sponsor of the ninth annual Rural Development Conference at Tennessee Tech in Cookeville. More than 450 people attended, including elected officials, community leaders, chamber directors, and economic developers. TVA held workshops on marketing and support for existing business and industry.
- At the request of Meriwether Lewis Electric Cooperative, TVA provided a concept drawing for a 12,000-square-foot low-maintenance office facility in Centerville. The building will consolidate all of the co-op’s administrative functions.
- Giles County is implementing its Quality Communities strategic plan, Vision Giles County, which was developed by a team of 38 community leaders. TVA staff facilitated the planning process, which included six community meetings and input from more than 150 county residents. Local leaders plan to establish a nonprofit corporation to guide implementation of the strategic agenda.
- TVA and the Nashville Area Chamber of Commerce sponsored the annual “Red Carpet Tour” for Partnership 2010, a regional economic development effort that includes 10 Middle Tennessee counties.

**TVA and its partners hosted a  
tour and watershed  
improvement planning  
conference in  
Norton, Virginia.**

## **VIRGINIA**

- TVA and its federal, state, and area partners hosted a tour and watershed improvement planning conference in Norton, Virginia, for members of the Coalfields Task Force. The tour highlighted successfully completed projects, including acid mine drainage remediation, straight pipe removal, and alternative septic tank installations.