

InsideTVA

TVA's Leadership Standard: Achieve Excellence in Business Performance and Public Service

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New transmission lines big challenge to TVA

Last spring, a team of TVA employees spent two weeks in Montgomery County, Tenn., hosting eight Public Information Days on a proposed 30-mile 500-kilovolt transmission line that would cross the county.

Nearly 15,000 area residents were invited to study maps showing proposed line routes, ask questions and provided comments on the project.

"Although public input is accepted throughout the course of a project, TVA actively solicits comment at three stages – the very beginning of a project, when the draft environmental impact statement is released and once proposed line routes are determined," says Roger Sparry, Manager of the Transmission/Power Supply Siting & Environmental Design group.

"The Public Information Days are a very important step in the process of siting a transmission line. The one-on-one discussions with property owners allows us to address their concerns and design a route that will minimize impacts."

He says they always expect some opposition, too.

"On this project, we received nearly 3,000 comments. And while the meetings were very productive, they also demonstrated that siting a 500-kV transmission line wasn't going to be as easy as it was 20 years ago — the last time TVA built one."

Before heading to Montgomery County, with the county seat of Clarksville, in Middle Tennessee, TVA was aware of opposition to the proposed line. Citizens for Power Management, a group trying to prevent the new line, was already organized.

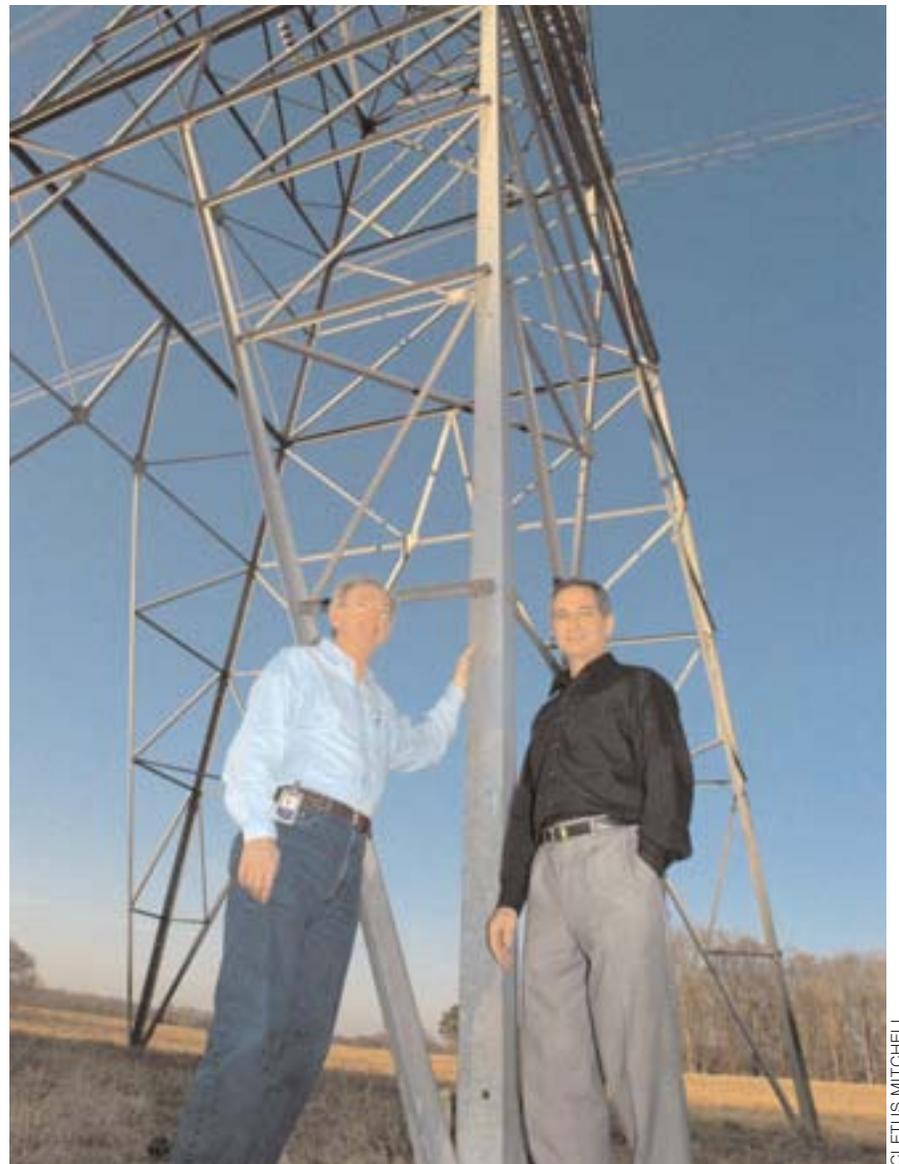
Sparry says the opposition isn't just confined to construction of major bulk-transmission lines or specific areas of the Tennessee Valley.

The need for new construction lines is due to growth in the Tennessee Valley, which is higher than the national average, at about 3 percent a year. Some Valley areas are experiencing a growth rate as high as 10-12 percent a year.

Sparry says TVA's goal is to identify a route that will minimize impacts to a community, property owners, environmental and historical features, and planned development.

"We use a lot of new data to design the alternative line routes for a project, but a lot of unknowns are out there," he says. "The property owners are the ones who can provide a lot of good information. Then the onsite surveys pro-

See "Transmission" on page 3



Roger Sparry, (left) Manager, and Gary Boyd, Design Tech-Civil, of Siting & Environmental Design, at a 500-kV structure

CLETUS MITCHELL

Update on program/staffing reviews

Members of the Management Committee have updated their staff members on TVA's progress on the program and staffing reviews.

TVA is taking every opportunity to reduce costs this fiscal year and is working to create more efficient ways of doing business for fiscal year 2005 and beyond.

A substantial portion of the necessary budget reductions is expected to come from 1) reductions in capital projects, with resulting reductions in spending for materials and contractors, 2) reductions in contractors supporting ongoing work and 3) program/staffing reviews.

The program reviews are providing managers information to determine whether programs should be continued, eliminated or outsourced and, therefore, identify surplus-staffing situations. In areas where the reviews show that

surplus staffing exists, TVA will ask for volunteers before conducting an involuntary reduction in force.

The majority of the program reviews will be completed this month. However, some programs will require additional time to ensure an adequate review. For example, TVA is continuing to look at the competitiveness of its generating units on an ongoing basis. At this time, a detailed analysis is being conducted on Johnsonville units 5-10. That study is expected to be completed this spring, and no decision will be made until the results of the study have been thoroughly evaluated and discussed with the TVA Board.

If surplus-staffing situations exist throughout the remainder of FY '04, TVA will ask for volunteers before con-

See "Program-review update" on page 2

what's new

IN EMPLOYEE NEWS

Managing Valley's water supply

Water for drinking, industrial use and agriculture. Water for generating hydropower and cooling power-plant components. Water for navigation, recreation and habitat for plant and animal life.

TVA's integrated management of the Tennessee River system provides water for a wide range of public benefits.

Read how TVA manages water supply in the river system, find out how you can conserve water, learn where the water goes and get other water-supply news in the new Managing the Valley's Water Supply site on www.tva.com.

InsideTVA

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TVA is an equal-opportunity and affirmative-action employer. TVA also ensures that the benefits of programs receiving TVA financial assistance are available to all eligible persons, regardless of race, color, sex, national origin, religion, disability or age.

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Inside TVA and Inside TVA Retirees Edition are available on the TVA external homepage — www.tva.com.

Program-review update continued from page 1

ducting an involuntary RIF.

Eligible employees who volunteer for a RIF from areas with surplus staffing will receive standard severance pay and retirement benefits for which they qualify. Additional information about program/staffing reviews and employee benefits associated with voluntary RIFs will be provided in mid-February.

Employees who receive an involuntary RIF will be eligible for severance pay and retirement benefits for which they qualify. TVA also will assist employees with outplacement support.

Employees interested in volunteering for a RIF should not wait until Feb. 23 to contact Retirement Services to discuss their retirement information.

This will ensure that employees have the necessary information to make a decision, if they are identified as being in an area where surplus staffing exists.

At all times, the reviews of TVA's programs and functions will take care to preserve the safe and reliable operation of TVA's core functions.

Key dates to remember

Based on the progress in the program reviews, TVA has set the following dates for making necessary changes to staffing levels for program reviews completed in February:

February 23

Results of program reviews are shared with employees; surplus-staffing areas are identified; employees in areas where surplus-staffing situations exist can volunteer for a RIF

March 15

Deadline for employees to volunteer for a RIF

March 29

Deadline for managers to approve/reject RIF volunteers

April 22

Organizations issue any notices of involuntary RIFs, depending on the number of volunteers received

May 28 (no later)

The effective date of termination for employees approved for voluntary RIFs

June 25

End of the 60-day notice-of-termination period for employees receiving an involuntary RIF

Pension-investment strategy pays big dividends

TVA Retirement System assets totaled \$6.0 billion as of Sept. 30 and have increased to \$6.6 billion as of Jan. 27, says Randy Snyder, Vice President of Retirement Services.

"Our investment return for 2003 was 26.7 percent, which put our performance ahead of 90 percent of all pension plans," he says. "One of our best-performing investments in 2003 was a small-cap equity manager, which had investment returns of more than 60 percent."

And the good news doesn't stop there.

"Our funding ratio is now above 100 percent, up from 90 percent at the end of fiscal year 2003. Our goal is to maintain a funding ratio of something much greater than 100 percent, which means we still have some work ahead of us."

That goal is not only challenged by changes in the market, but by some sizable obligations.

"The system's annual pension payroll is more than \$372 million," says Snyder. "Included in the \$372-million obligation is \$48 million provided as a supplemental pension benefit, and \$6.2 million that will be provided this year in cost-of-living increases. Since the plan stays fully invested at all times, we sell about \$30 million in stock and bond holdings each month to make payroll."

TVARs Board Chairman Floyd Johnson says the investment environment is

definitely challenging.

"We're pleased with the return on our investments for calendar year 2003," he says. "The Board continues to explore investment strategies with the highest probability of success, lower costs, lower risk and increased rates of return."

"I can assure you that we are managing our pension fund in a very opportunistic and wise method that, over time, should do very well and build a strong financial future."

As to projections for 2004, the plan is to continue to use the investment strategy that has worked so well in the past.

"The Retirement System's policy is to stay well diversified with 40 percent in fixed-income securities and 60 percent in stocks," says Snyder.

"This policy has served us well over the years. When the market moves us out of these target weights, we rebalance the portfolio by selling certain securities and purchasing others."



Randy Snyder: "Our goal is to maintain a funding ratio of something much greater than 100 percent, which means we still have some work ahead of us."

He says the system uses 20 fund managers, which is typical for a group TVA's size.

"If we lose confidence in a fund manager or feel there are ethical concerns, we do not hesitate to terminate our relationship quickly."

— THERESA HABIGER

7 WP measures on target or above

Seven of eight Winning Performance measures on the fiscal year 2004 TVA Balanced Scorecard are on target or above for December.

First-quarter results showed above-the-target achievement in Customer Satisfaction and Environmental Impact, while sustaining some improvement opportunities for Operations & Maintenance costs.

For the year to date, the Customer Satisfaction performance of 129.4 percent is just shy of the 130.0-percent stretch goal for the index.

Exceptional performance in the billing reliability (late invoices and billing adjustments) component of the index has been the main driver leading to excellent performance. Since the fiscal year began, Revenue Billing has not submitted a late invoice; and 23 billing adjustments were reported vs. a target of 50. Additionally, performance of the power-reliability and product-timeliness components of the index exceed stretch- and mid-goal performance levels, respectively.

In the Environmental Impact measure, the first-quarter score of 84 showed better performance than projected. Here are some examples of those areas: sulfur-dioxide emissions were 15 percent lower than projected due to lower fossil generation and increased hydro and nuclear generation; office recyclables collected were 16 percent more than target; and solid-waste generation showed a 15-percent reduction from target.

The year-to-date O&M Costs measure is slightly above target, primarily due to higher-than-planned benefits expense and other unplanned expenditures. All organizations are taking austerity measures to curb or eliminate discretionary expenses,

Winning Performance

TVA's Six Strategic Objectives








TVA Balanced Scorecard for December

	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	GOALS		
						Target*	Mid	Stretch
Financial								
• O&M Costs (\$ millions)	15%	➔	913	910	3,678	3,644	3,608	3,535
• Financial Strength (\$ millions)	15%	⬆	13	53	225	225	275	375
• Productivity (kWh/\$)	10%	⬆	139.6	138.2	147.8	147.8	150.8	152.4
Customer								
• Customer Satisfaction (%)	10%	⬆	129.4	100.0	100.0	100.0	117.0	130.0
• Economic Development (index)	10%	⬆	97	100	100	100	110	120
Operations								
• Asset Availability (%)	20%	⬆	100	98	101	98	100	102
• Environmental Impact (index)	10%	⬆	84	92	98	98	91	85
People								
• Safe Workplace** (all injuries/hour worked)	10%	⬆	1.25	2.41	2.41	2.41	2.36	2.31

Notes:

- * Target equals FY04 Performance Plan Target.
- ** Payout at any performance level is contingent upon no fatalities.

Status:

- ⬆ = Forecast at or better than Target and YTD is OK
- ➔ = Caution, Actual YTD is worse than Planned YTD
- ⬇ = Forecast worse than Target

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

such as travel, hospitality and training, to bring the fiscal-year forecast back in line with the target.

The Financial Strength measure is still forecast to be on target for a reduction of total financial obligations by \$225 million. Proceeds from the Mem-

phis Light, Gas & Water energy prepayment of \$1.5 billion were received during December and were used to pay down short-term debt. The reduction in statutory debt and the increase in deferred-revenue obligations are included in the forecast.

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vide the actual data needed to make a final decision.”

The majority of TVA's new construction consists of shorter lines that connect new substations belonging to power distributors to the transmission system.

“After each public meeting, we look for ways to improve the public-participation aspect of the process. We're now using the TVA Web site to provide project information and updates, including maps.

“Although we receive the majority of comments at the meetings, we also get them by mail, by e-mail and by phone. We work closely with the local media to provide information to area residents, and the local power distributors often ask for maps and information they can display in their office lobbies.”

Sperry says property owners throughout the Valley have the same basic concerns — property values, aesthetics, health and environmental issues, land-use conflicts and the need for the project.



“Since we try to plan far enough in advance to have new equipment in place before an area experiences any problems, an important first step is being able to demonstrate the need for the project.”

Often the hardest part is convincing people that their input is taken seriously.

“Many people believe TVA has already made up its mind. Discussions with individual property owners allow TVA to address their specific issues.

“Many times an agreement, such as placing a line along a property boundary instead of crossing a tract of land, is reached that satisfies both parties. But each angle built into a transmission line adds to the bottom line, and cost is one consideration used to make a final decision on a project.”

He says not all property owners oppose transmission lines on their property.

“Many understand the need for new lines as areas grow and just want to know how they will be affected.” — MYRA IRELAND

A sample of current transmission projects

Here is an update on some transmission construction projects:

Cumberland-Montgomery 500-kV Line

Last October, TVA decided on two proposed routes, one in the northern corridor, one in the southern corridor. Currently, TVA has obtained property-owner permission to survey and is conducting environmental and engineering surveys of the two proposed routes. A decision on the route is expected by late summer or early fall. A summary of public comments on this proposed line can be found at www.tva.com/power/500kv_line.

Paradise-Wilson 500-kV Line

Initial public meetings on a proposed 90-mile 500-kV line from Paradise Fossil Plant to the Wilson 500-kV substation near Lebanon, Tenn., are scheduled for late February and early March. The line is needed to upgrade TVA's transmission system in response to a request from Peabody Energy Corp. to interconnect its Thoroughbred Energy plant to TVA's transmission system.

Williamson County, Tenn.

A new Middle Tennessee Electric Membership Corp. substation was originally scheduled to be in service in 2003. A variety of concerns from special-interest groups, elected officials and property owners have prevented resolution of where to build a substation and a 161-kV line to serve it. Explosive growth in the area, combined with the inability to add new power infrastructure, has forced MTEMC to impose a freeze on new electric hookups for a section of Williamson County once commitments for existing capacity are made.

— MYRA IRELAND

Hydro help saves the day — and dollars

An abundance of water, available hydro assets and hydro scheduling flexibility worked hand in hand recently to meet the power demand at a time it was needed most — saving TVA more than \$1.3 million in generating costs.

“We take advantage of the water when it’s there,” says Jeff Newsome, Manager of Asset Scheduling in Electric System Operations. “Never have we worked together better to optimize the resources.”

Newsome and his group worked with the River System Operations & Environment’s River Operations group last month to coordinate hydro scheduling during the 16-degree weather when the load demand was 28,127 megawatts. This enabled TVA to meet the third-highest winter peak in its history.

It worked like this: Chickamauga, Nickajack and Guntersville dams were generating at full capacity. They also were spilling water, instead of saving it for generation at those facilities later, which made the water available for power generation downstream at Wheeler and Wilson dams.

“We have 11 units at Wheeler,” says Bill Dobbins, Production Manager for Wheeler and Guntersville hydro plants. “We knew if we could spill at Guntersville, Chickamauga and Nickajack, we would have enough water to run all the units at Wheeler. The great thing about hydro generation is that we can have the units online in 3-4 minutes, instead of several hours.”

This time “spilling” wasn’t a dirty word.

“Spilled water usually results in lost power generation,” Newsome says. “In this case, it worked extremely well at a time power-generation costs were forecast to be extremely high.”

Newsome’s group schedules generation for all of TVA’s fossil, nuclear and combustion-turbine generating units and works with RSO&E to schedule hydro generation.

“We conduct weekly meetings with River Operations to discuss what the system looks like for the next week,” he says. “We discuss which assets will be available, what the bulk-power market looks like and how the weather will affect us. Voltage-related issues are discussed, too, because we frequently rely on hydro units, such as at Fontana, Blue Ridge, Chatuge and Notely, for voltage control near areas with voltage problems.

“We always consider reliability first, and then we concentrate on economics.”



Dexter Winchester (left), Technician Level 4, and Hydro Production Manager Bill Dobbins work together in the Control Room at Wheeler Hydro Plant. “The great thing about hydro generation is that we can have the units online in 3-4 minutes, instead of several hours,” Dobbins says.

HANK HOJKE

Flexible scheduling extends to outages

Newsome says when generation is needed quickly, planned hydro-outage work is sometimes rescheduled.

“Moving an outage by even a few hours can sometimes save thousands of dollars.”

That’s what happened when an outage planned at Boone Hydro Plant Jan. 19 was rescheduled a week, saving TVA more than \$200,000.

“On Jan. 14, Sequoyah Unit 2 and Widows Creek 8 were out of service and the bulk-market prices were high. We decided to delay the outage at Boone, because we knew we would need the plant for extra generation.”

An additional \$20,000 was saved by delaying a planned outage at Pickwick by six hours Jan. 28. And moving underwater work on the head gates of one of the units at Fontana until after 8 p.m. saved another \$10,000. Divers worked on three consecutive nights — Jan. 20-22 — so the Fontana unit could be returned to service by 4 a.m. each morning to meet daytime peaks.

“Rescheduling these outages requires a lot of coordination,” Newsome says. “In these instances, it really paid off.”

‘Pick ups,’ ‘turn downs’ part of a day’s work

The flexibility of the hydro units often benefits TVA’s generation and transmission system. Hydro actions are routinely taken on short notice, which contributes to reducing TVA’s delivered cost of power and ultimately to its financial strength.

“The Forecasting Center develops a daily generating schedule based on the forecast load and power costs,” says Bill Arnwine, Lead Engineer in RSO&E’s River Forecasting Center. “But things don’t always go according to schedule. Sometimes the Forecast Center has a couple of hours’ notice to adjust generation based on system demand, and sometimes it has no notice at all.”

An unexpected fossil unit or nuclear unit outage can be “picked up” by hydro when water is available. And a hydro “turn down” can occur, reducing generation when it is not needed. This minimizes the need for expensive turn

downs at fossil and nuclear units.

A good example of a pick up is when hydro was called upon for extra generation Dec. 19-20 because

of a combination of heavier-than-expected power loads and thermal units coming offline.

Although the daily hydro generation was forecast at more than 70,000 megawatts on Dec. 19, River Operations was able to increase generation to about 75,000 megawatt-hours for the day.

That way, Electric System Operations avoided making additional purchases to supply the power load, which resulted in a savings of about \$200,000.

On Dec. 20, the hydro generation was increased almost 10,000 MWhs over the initial schedule, resulting in savings of more than \$500,000.

Wood Talkington, an Engineer with the River Forecast Team, works on hydro-generation schedule changes.



CLETUS MITCHELL

Cost-cutting challenges — a 'Call to Action'

A review of programs and functions throughout TVA is under way to identify cost savings that will help TVA prepare for competition and customer choice. While program reviews are under way, employees and managers companywide are also taking action to cut costs immediately. So how are TVA organizations responding to the challenge to cut costs? Here are a couple of examples:

Have business? Don't travel, Use technology

Employees have been asked to restrict travel to core business needs and re-evaluate travel for internal meetings.

"Technology offers a variety of solutions that are cost-effective and efficient alternatives for internal and external meetings," says Diane Bunch, Senior Vice President of Information Services. "Videoconferencing, MeetingPlace and streaming media let employees continue business without traveling."

Videoconferencing enables communication between TVA sites and with partners in the United States and abroad. About 18-22 videoconferences are conducted weekly.

Videoconferences at Browns Ferry, Chattanooga, Knoxville, Memphis, Muscle Shoals, Sequoyah, Washington and Watts Bar can be scheduled by calling Facilities Management's 2700 Hotline. Videoconferencing facilities in Nashville and at all the fossil sites can be reserved by calling the locations directly.

MeetingPlace offers traditional teleconferencing, also known as "conference calling," as well as e-conferencing, which offers the ability to view, collaborate and discuss documents online during a meeting.

"Some people call MeetingPlace e-conferencing 'one of TVA's best-kept secrets,'" Bunch says. "Users can attend online real-time meetings using their desktop computer. MeetingPlace is ideal for PowerPoint presentations, because employees can show these presentations to an audience sitting at their computers."

Last year, more than 22,000 MeetingPlace teleconferences were held. Bunch says TVA would have



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From left, Geographic Information & Engineering's Special Projects Specialist Alan Voss conducts a MeetingPlace e-conference with co-workers Kenneth Holmquist, Geographic Analyst, and Roy Teal, Senior Manager. River System Operations & Environment's GIE group depends on the MeetingPlace technology for the Geographic Information System Coordinating Council meeting GIE hosts quarterly. Until six months ago, council members representing business units across TVA met face-to-face. Using MeetingPlace, they can discuss enterprise-wide GIS issues without leaving their work location. Voss says meeting attendance has improved, increasing communication between business units.

paid more than \$2 million for the same service from an external conferencing service provider.

To schedule a MeetingPlace teleconference or e-conference, employees can visit the MeetingPlace Web page on TVA's internal Web site through IT Services. Because of the popularity of MeetingPlace, employees should schedule meetings well in advance.

Streaming media, still being piloted, allows audio, full-motion video and multimedia content to be viewed and/or heard from a desktop computer. Bunch says it's another technology that shows great potential for TVA. More than 2,000 employees

viewed the Oct. 30 employee business meeting by streaming media live or later by archived video from their desktop, which reduced travel time and costs.

"All of TVA's media technologies have one common element," says Bunch. "These simplified mechanisms allow employees at different locations to share information without traveling. It also provides the opportunity for remotely located employees to stay connected and have better communication on matters of importance to the company. IS is committed to providing useful tools and contributing to TVA's cost-avoidance efforts." — JULIE TAYLOR

SpamKiller increases productivity, avoids costs

About 10-20 percent of employees receive unsolicited, unwanted email — or spam — daily. During a five-week period late last year, more than 100,000 spam messages entered the TVA e-mail system.

"These unsolicited e-mails adversely impact computer bandwidth, resulting in a slower computer response time and disk space where spam resides," says IT Security Senior Manager Anthony Smith. "And the time employees devote to dealing with spam impacts productivity."

To combat this problem, Information Services installed the new spam-blocking/filtering technology, "SpamKiller," last November. The first phase targeted pornography, fraudulent/financial scams, advertisements, dating services and eBay notifications.

In the second phase, the subject lines on all medium-level e-mails are



tagged "spam" to notify computer users that messages are potentially spam. This process also helps raise the computer users' awareness of the type of information SpamKiller is identifying as spam.

A later phase of this initiative will address the removal of pop-up advertising boxes from Internet sites employees access.

"We estimate that the elimination of spam has resulted in more than \$2,500 in avoided costs per month," Smith says. "Employees concerned that a business-related message tagged 'spam' will be blocked in the future can notify IT Security by sending an e-mail to itsecurity@tva.gov. IT Security asks employees to cut and paste the e-mail into a new e-mail for evaluation and include the type of request in the subject line, such as 'Request for evaluation of business-related mail identified as spam.'" — JULIE TAYLOR

ACROSS TVA

Across TVA highlights news, achievements and activities of TVA organizations. E-mail submissions to Suzanne Cottrell on Microsoft Outlook or send them to her at ET 6E-K. Digital photographs can be e-mailed to the Employee Communications Photos mailbox in Microsoft Outlook.

Administration — The Feb. 2 issue of *Computer-world* magazine highlighted TVA's use of technology to streamline management of its contractor workforce. New technology will facilitate obtaining lower rates for contractors and will support the new Contractor Workforce Management policy and process standardization.

Bull Run Fossil Plant — A trust fund has been established to help 16-year-old Angie Renfro, daughter of Joe Renfro, a Bull Run employee who died, along with his wife, in an automobile accident Dec. 21. The trust fund is in Angie's name at Union Planters Bank in Kingston (865-376-3434). Contributions can be deposited with any Union Planters Bank. Checks should be made payable to the "Angela Renfro Testimony Trust."

Cumberland Fossil Plant — Cumberland recently presented a donation to Stewart County Volunteer Fire Services for extinguishing a coal-conveyer-belt fire at the plant. Fire services responded quickly and helped get the fire under control. In appreciation, Plant Manager Bud Hancock formally recognized the group and presented them with a donation of more than \$500.

Fossil Power Group — The Heavy Equipment Division recently presented a check for \$26,640 to the Combined Federal Campaign for Nashville and Middle Tennessee. The money was raised by HED's 2nd Annual Golf Classic, held in Joelton, Tenn., northwest of Nashville. The tournament hosted 140 golfers and was supported by 100 sponsor representatives, as well as more than two dozen volunteers from the HED group.

Muscle Shoals — TVA employees, retirees and employees of various federal agencies contributed \$207,006 to the Muscle Shoals Area Combined Federal Campaign, which began Sept. 29. The campaign exceeded its goal of \$207,000. TVA employees donated \$153,183, retirees \$15,085, partner employees \$18,192 and other federal agencies \$20,546.

Nashville — Customer Service & Marketing employees in the Residential & Small Commercial Department sent 11 boxes of supplies to Josh McMinn, son of *energy right* Marketing Manager Steve McMinn, and his fellow soldiers in Iraq.



John Shipp (left), TVA Vice President of Environmental Policy & Planning, talks with retiree Bob Steffy at a Tennessee Department of Environment & Conservation meeting at Pellissippi State Technical Community College in Knoxville Jan. 22. The meetings in six Tennessee cities were designed to share information and receive public input on new rules by the Environmental Protection Agency. The new rules are intended to clarify how New Source Review should apply to existing manufacturing facilities, power plants and industry. The meetings will help TDEC determine whether it should adopt and implement the final EPA rules on NSR within Tennessee. Steffy, who managed TVA's non-nuclear power system for a number of years, spoke in support of TVA's stand on the issue and encouraged the state of Tennessee to adopt the New Source Review final rules.

CLETUS MITCHELL

Office of the Inspector General — Twenty investigators in the Office of the Inspector General became commissioned law-enforcement officers at a recent ceremony in Knoxville. The Homeland Security Act passed by Congress in 2002, in conjunction with new guidelines provided by the Attorney General, governs the exercise of enhanced law-enforcement powers by federal OIGs appointed by the president.

Pickwick Hydro Plant — Employees at Pickwick Hydro Plant recently completed 20 years without a lost-time accident. Janet Herrin, Senior Vice President of River Operations, says it demonstrates that Pickwick employees put safety first. "Going 20 years without an accident is truly a remarkable achievement. Our safety training and other efforts are important, but this kind of record is mainly the result of a team effort. It shows how conscious Pickwick employees are of their own safety and the well-being of their co-workers."

The Employee Assistance Program is a phone call away.

For confidential assistance for you and your family members, call EAP to talk with an experienced counselor about a wide range of personal problems.

Some problems can be resolved over the phone, but if not, up to six EAP sessions are available at no personal cost, no deductible and no co-pay. You don't even need TVA insurance to use the service.

If further long-term assistance is needed, counselors can recommend local resources that are covered in part or completely by insurance.

Free help • 1-800-955-6422 • *Your health and well-being are important.*

Around the industry

This feature provides brief highlights of events in the electric-utility industry. More information is available in PowerBolts, accessible through *TVA Today*.

Entergy Louisiana seeks \$167-million rate increase — Entergy Louisiana has asked the Louisiana Public Service Commission to approve a \$167-million increase in its base rates. Entergy said the hike would be more than canceled out by a \$219-million savings in fuel costs that will result from its plan to reduce its reliance on older, less-efficient gas-fired generation. The PSC has approved two contracts in the new Entergy Louisiana supply package but is still reviewing two other contracts to buy nuclear and coal-based energy from Entergy Arkansas and Entergy Gulf States. All four contracts are with Entergy affiliates, and the Federal Energy Regulatory Commission also is investigating whether they comply with FERC affiliate-transaction rules. (*Wall Street Journal*)

Retail choice in Virginia may be scrapped — The Virginia legislature is likely to consider two bills next year that would make significant changes to or scrap entirely the state's 1999 electricity-industry restructuring law. The first bill would extend the 1999 law's cap on retail rates by three years to July 1, 2010. A competing bill would suspend retail competition, and allow utilities to recoup environmental and other new costs they incur, possibly through a return to traditional, cost-of-service-based rate regulation. (*Electric Power Daily*)

Duke plans sweeping divestiture of merchant assets — Duke Energy said it plans to sell eight gas-fired merchant plants, totaling 5,290 megawatts, that its Duke Energy North America subsidiary owns in the Southeast, pull out of three DENA merchant projects, totaling 2,420 MW, in the West, and "wind down" its Duke Energy Trading & Marketing joint venture with ExxonMobil. Duke Chairman and CEO Paul Anderson said Duke also plans to divest its Australian energy assets, which include several small power plants and the 485-mile Tasmanian gas line, and complete its exit from the European market. (*Electric Power Daily*)

Progress unit eyes Duke plants in Southeast — Progress Ventures, the unregulated generating arm of Progress Energy, is considering buying one or more of the eight gas-fired merchant plants in the Southeast that Duke Energy North America plans to sell. The company said it is particularly interested in two DENA plants in Georgia — a 1,240-MW plant in Murray County and a 640-MW plant in Washington County. A Progress Ventures spokesman said the company has made no decision and would have to determine that the assets were priced attractively and that there were markets for the power. (*Electric Power Daily*)

Sad?
Depressed?
Stressed?
Anxious?

Work concerns or
family problems
getting you down?

Ready for help?

Features

Johnson finds 'road map to a longer life'



STEVE CORUM

Jim Johnson takes his blood pressure, which he checks regularly to monitor his overall heart health.

Although he had to be nudged along a little in the beginning, once Jim Johnson, Contract Manager in Procurement, became involved in the Healthcare Assistance Program, he began to see big improvements in how well he felt.

"When Barb Parton, a registered nurse with SHPS, called me about TVA's Healthcare Assistance Program, I blew it off at first," says Johnson. "I was monitoring my diabetes, going to the doctor regularly and felt I generally knew what to do."

Parton suggested Johnson attend the Diabetes Education Program. The cost of the program would be covered by his medical plan if he participated in HAP.

"I agreed to attend the three sessions and found out that my avoiding snacks and carbohy-

drates was causing me to have big swings in my blood-sugar level," Johnson says. "SHPS developed an eating plan for me that actually allows me to eat carbohydrates, as well as have three snacks a day.

"I was able to increase my exercise because I had more energy. I ended up losing 21 pounds, and brought my average blood-sugar level within the normal range. I would have never been able to do this without the assistance of SHPS."

He says a key component of the education program addresses medications.

"Here again, I thought I knew enough about the medications I was taking. After completing the education program, I began asking my doctor about making some changes in my medications. We were able to fine-tune my medication plan, which has also helped me feel better."

Parton calls Johnson every six months or so to see how he is doing. He says she always has some new tips or some new information for him that is actually quite helpful.

"I don't know why more people don't take advantage of this program," he says. "The SHPS people gave me a personalized road map to a longer life. If you don't take advantage of this, you won't be around to enjoy your family and friends. If you don't want to do it for yourself, do it for them." — THERESA HABIGER

Healthcare Assistance Program

The Healthcare Assistance Program is a voluntary and confidential program that provides healthcare information, a Web site, a 24-hour nurse line and care-management programs for employees and their families, as well as to retirees not enrolled in the Medicare supplement plan and their families.

Retirees and their dependents enrolled in the Medicare supplement plan have access to the Web site and the 24-hour

nurse line. However, care-management services cannot be offered to them because Medicare is the primary insurance plan for these individuals.

To reach a nurse 24 hours a day, call toll-free 1-877-598-3972 (TTY 1-800-793-7044).

The Web site — www.myaccesshealth.com — can help you learn more about medical conditions and treatment options.

Conservation sprouts from Shoals partnership

With its pink, orange and red azaleas, yellow trillium, white wild hydrangeas and Virginia sweet-spire, the new one-quarter-mile native-plant trail on the Muscle Shoals Reservation will burst with beauty and fragrance this spring.

But before this transformation, the reservation was part of a controversy last year when the Retirement Systems of Alabama offered to purchase the property for a golf course. In the end, a decision was made to locate the golf course on private property, and groups with a passion for plants formed a partnership to preserve the trails.

"The property on the Muscle Shoals Reservation has always had public trails for people to enjoy their natural surroundings," says Ken Kelley, an Environmental Scientist in River System Operations & Environment. "After the golf-course issue, several groups wanted to make the area a place for everyone to enjoy the plant and wildlife diversity."

Kelley worked with members of the Shoals Environmental Alliance, the Alabama Wildflower Society, the Shoals Area Master Gardeners, the Shoals Men's Garden Club and the Shoals Audubon Society on planning and implementing the new garden.

"Last year, we began treating



kudzu and other invasive exotic plant species," Kelley says. "The biggest obstacle was removing the dense stand of fast-growing Chinese privet before planting could begin. The Shoals Environmental Alliance, along with the other groups, organized Saturday workdays for volunteers to clear the area and plant the garden."

The result is a handicap-accessible trail with a garden that boasts more than 100 plant species native to Alabama. The trail also is located near bathroom facilities, with easy access for walkers and those in wheelchairs.

"We want people to see what is native to Alabama and be able to appreciate the beauty when they walk through the woods," says Margie Anderton, President of the Shoals Chapter of the Alabama Wildflower Society. "The plants are labeled so visitors will know what they are looking at."

Many of the plants were transported to the reservation from a native-plant garden dedicated to the late TVA Botanist Whitey Hall. A new hotel is being constructed on the property



STEVE CORUM

From left, Richard Pflueger, Land-Use Specialist with the Pickwick Watershed Team; retiree Frank Moses; Merry Gabel, Business Support Representative in Resource Stewardship with the Pickwick team; and Ann Moses discuss the native plants and their importance to the area.

where the Hall garden was located. Frank Moses, who retired from TVA in 1986 after 32 years of service, was instrumental in establishing the original Hall garden and assisted in the transplanting to the new site.

"I love to work outdoors," Moses says. "The native-plant garden was right up my alley."

He says a lot of TVA retirees are members of the Wildflower Society, which Hall founded.

"All the native azaleas and about half the other plants were moved from the old garden. I feel secure they will be in the new location a long time, because they are on TVA land."

— ASHLEE RICHIE

Respect, teamwork earn Hydro trainee top award

As a student in the Hydro Multi-Skill Training Program at the Greenway Multi-Skill Training Center in Knoxville, Dorothy Harris helped her fellow classmates with projects, shop activities and studying.

And when she came upon a car accident on her way home from work last December, she didn't hesitate to rescue the driver from the burning vehicle.

That's why the well-respected Harris was a unanimous choice among fellow trainees for Hydro Trainee of the Year, which led to her receiving the overall Chief Operating Officer organization Trainee of the Year award for 2003.

In addition to Harris's 14-month training program to be a Hydro Technician at Fort Loudoun Hydro Plant, she serves her community through a variety of volunteer activities, such as opening her home to foreign students and helping rescue abused and neglected animals.

"This award makes me very proud, and I'm happy to have been selected," says Harris, who left Greenway Jan. 26 to begin 16 months of on-the-job training at Fort Loudoun. "But I'm just a representative of everyone I'm in school with, including teachers and the guys I study with everyday.

"This award should really be given to the whole group, because there are times when they've helped me as well. I've learned at least one thing from every single one of them. It's been a joint effort all the way." Harris also gives credit to her instructors Joe Hawes, Danny Turner, Sam Sullivan and Don Puckett.

Multi-skill training teaches employees a variety of skills, which allows for more flexibility and efficiency in their job duties.

Before Harris began working as a technician trainee at TVA, she was an aircraft mechanic and aircraft contractor in the Navy.

"I did some research, and aircraft mechanics was the most varied, challenging and interesting field," says Harris. "I'm glad I made that decision. It gave me a great deal of confidence, and I think more women should explore such opportunities."

After the Navy, Harris worked as a contractor and traveled to a variety of places, including South



Dorothy Harris works on a project that she and fellow classmates are completing as part of their training. The project involves building a relay board, which is used to transfer information from one point to another and facilitates in directing machinery actions and timing.

STEVE CORUM

Korea and Washington, her home state. When she and her family grew tired of traveling, they settled in Tennessee.

"TVA was the logical choice if I was going to be in Tennessee, because I had been working for the federal government in the past," says Harris. "Without my past experiences, I wouldn't appreciate what I have now as much."

In the nomination letter for Harris for Hydro Trainee of the Year, fellow trainees and Phil Crabtree, Hydro Multi-Skill Training Manager, said the award "honors a student who demonstrates strong academic and long-term leadership skills with emphasis on professional development. To us, this is the definition of Ms. Harris's performance.

"Playing on the bigger TVA team, she has created an environment to improve our performance as multi-skill students and trainees."

Janet Herrin, Senior Vice President of Hydro Operations, says she is proud to have Harris on the team.

"Dorothy is an outstanding achiever and a role model for all of us. Her commitment to teamwork, concern for her co-workers, positive attitude and enthusiasm deserve recognition." — SUZANNE COTTRELL

Organization nominees receive recognition

The Trainee of the Year awards recognize outstanding individuals in TVA's entry-level Trades & Labor training programs. Nominations come from other trainees, managers, technicians, instructors and Local Joint Training Committee members. The following trainees received awards in their organization:

Fossil Power Group

John A. Boyd, Cumberland, Instrument Mechanic Trainee

Jimmy C. Matthews, Widows Creek, Student Generating Plant Operator

Scott W. Roy, Johnsonville, Electrical Technician Trainee

Matt Schmitzerle, Paradise, Mechanical Technician Trainee

Gene Slater, Allen, Combustion Turbine Technician Trainee

TVA Nuclear

Steven E. Henry, Sequoyah, Instrument Mechanic Trainee

Jeremy D. McDaniel, Browns Ferry, Mechanical Technician Trainee

J. Adam Newport, Watts Bar, Nuclear Student Generating Plant Operator

Darryl O. Thompson, Browns Ferry, Electrical Technician Trainee

Transmission/Power Supply

Nolan E. Maychrzak, Chattanooga, Electrician Apprentice

Marcus Thompson, Chattanooga, Lineman Apprentice

Steve A. Yocom, Chattanooga, Groundman Trainee

PEOPLE, PLAUDITS & PROMOTIONS



Marcus Jones

Marcus Jones, a Mechanical Engineer in Nuclear Design, qualified for the U.S. Olympic trials in the triple jump at a track-and-field meet Jan. 24 at Middle Tennessee State University in Murfreesboro. For the past two years, he has ranked No. 10 in the United States in the triple jump. At this meet, he set a personal best – 54 feet, 1.5 inches. The top 24 triple jumpers in the country will be at the Olympic trials July 7-14 in Sacramento, Calif. The distance Jones jumped in the Blue Raider Classic places him securely among that select group.

Jim Kurtz, Manager of Protection & Control in Transmission/Power Supply's Electric System Projects, recently took over Information Services' CAD-Net School-to-Work Program. The program has been transferred to TPS, where Kurtz has been working with the CADNet team to actively market their computer-aided drafting services. Through the program, high-school students are taught basic CAD technology. The program promotes Tennessee Valley economic development by offering low-cost, quality CAD services.



Jim Kurtz

Jason McNeel has joined TVA's Economic Development staff as a Field Specialist in the Mississippi district. McNeel was formerly with W.G. Yates & Sons Construction Co. He will work with distributors of TVA power, the Mississippi Development Authority and local economic-development organizations assisting prospective, new or expanding industries and encouraging industries to locate or expand in the region. His responsibilities include working with prospective loan candidates, helping develop loan applications, screening loans and



Jason McNeel

providing technical assistance to prospective companies. He also will promote small-business growth and community-development services.

Your letters

The following is a note to employees from Shirley Caperton, who retired recently because of illness. Caperton was a Mail Courier with Muscle Shoals Publishing & Mail Services:

I really appreciate the donated leave I received during my medical emergency and absence from work.
— Shirley A. Caperton