

Competitive Rates and Power Reliability

THE TENNESSEE VALLEY ADVANTAGE

TVA and the distributors of TVA power are known for excellent reliability and competitively priced electric rates. TVA's power system – consisting of coal, hydro, nuclear, and combustion turbine plants as well as renewable resources – keeps power flowing through more than 15,900 miles of transmission line to serve the needs of over nine million residents in an 80,000-square-mile area. The diverse power mix helps keep electric rates in the Tennessee Valley highly competitive, both regionally and nationally.

TVA has made the strategic decision to continually increase generation capacity through low-cost, carbon-free sources. To that end, TVA is continuing to expand its nuclear resources:

- Browns Ferry Unit 1, restarted in 2007, was the nation's first nuclear generating unit brought online in the 21st century. (1,155 megawatts)
- Watts Bar Unit 1, completed in 1996, was the last commercial nuclear unit to be placed in service in the 20th century. (1,167 megawatts)
- Watts Bar Unit 2, the next U.S. nuclear unit slated to come online, is scheduled for completion in 2013. (1,180 megawatts)

Rates

TVA and its distributor customers offer some of the lowest electricity rates in the nation, complemented by attractive pricing programs and rate credits. TVA's rates fall well below the national average, as these percentages show (2008 data from the Energy Information Administration):

- Industrial rates: 19 percent lower
- Commercial rates: 10 percent lower
- Residential rates: 21 percent lower

Reliability

While keeping rates competitive, TVA has not sacrificed its world-class transmission reliability. In fact, TVA has achieved 99.999 percent reliability every year since 2000.

The TVA transmission system is one of the largest in North America, with interconnections to 13 neighboring electric systems. It delivered over 176 billion kilowatt-hours of electricity to customers in 2008.

TVA achieved outstanding performance in two key reliability factors in 2008: Customer Connection Point Interruptions, in which TVA achieved the best rate in its history, and Load Not Served, a measure of the frequency and magnitude of outages. This is not unusual for TVA, which was characterized by the North American Electric Reliability Corporation as having a culture of reliability.

Besides providing dependable electricity, TVA acts as the transmission system reliability coordinator for several neighboring systems, covering parts of 11 states from the Carolinas to Oklahoma.

