

Inside TVA

this month's theme:
**Top Personal
Performance For
Power Production**

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Scholarships go to 'best
and brightest'
Page 7 and online



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TVA's 'Fix-it' Shop — keeping the lights on

MARK DAVIS

Steve Moore, a Machinist at the Power Service Shops in Muscle Shoals, inspects a Shawnee Fossil Plant high-pressure inner cylinder. To drive the turbine at the plant, steam goes through the openings at high pressure. The men and women at the Power Service Shops work year-round to keep the equipment running efficiently, demonstrating top personal performance for power production.

FY '04 second quarter Sales, income up

TVA net income during the second quarter of fiscal year 2004 was \$31 million higher than for the same period last year, but higher operating expenses emphasize the need to reduce costs and improve efficiency even more.

"The people of TVA are doing a great job maintaining and operating our generating units and transmission system to provide reliable power to TVA's customers," says Chairman Glenn L. McCullough Jr.

Lower outstanding debt and average interest rates enabled TVA to reduce net interest expense for the second quarter by \$9 million compared to the same period last year. Operating expenses for the quarter were \$73 million higher than for the second quarter of 2003, largely due to increased costs for medical benefits, pension obligations, planned plant outages and restructuring costs for the voluntary reduction-in-force program.

Power sales for the quarter and year-to-date were only slightly higher than last year, underscoring the importance of close attention to operational excellence and financial soundness.

"Skila, Bill and I encourage everyone to find ways to work more efficiently, so TVA can improve financial flexibility and be better prepared for a competitive market," McCullough says.

Financial Strength, Productivity and Asset Availability measures are in good shape now, but McCullough says Operations & Maintenance Costs need improvement if Winning Performance goals are to be achieved.

Financials at a glance

	January-March 2004	January-March 2003
Operating revenues	\$1,879 million	\$1,792 million
Operating expenses	(\$1,443 million)	(\$1,370 million)
Operating income	\$436 million	\$422 million
Other income, net	\$11 million	\$3 million
Net interest expense	(\$326 million)	(\$335 million)
Net income	\$121 million	\$90 million
Total power sales	41,890 million kWh	41,562 million kWh

'Inspector Robot' tracks tank damage



Detecting corrosive damage to fuel-oil storage tanks now safer, more efficient with new robotic tank inspector



The name may not be as catchy as R2-D2, Luke Skywalker's loyal astro-droid that helped him out of jams in the Star Wars movies. But Fossil Power Group's Robotic Tank Inspector gets the job done just as well.

The magnetic crawler is the remote-controlled robot Donnie Harvey used to inspect fuel-oil tanks, which are subject to corrosion that can lead to failure of the tank's steel-plate walls, at Gallatin Fossil Plant in May.

Harvey, who recently retired as the Nondestructive Examination Level III in FPG, says typically a three-person inspection team is used to get accurate measurements of the thickness of the tank walls to determine a corrosion rate.

"A man at the top of the tank and a man at the bottom with rope had to pass a device carrying an ultrasonic transducer back and forth to each other, and a computer operator collected the data," Harvey says. "The man at the top had to climb a tank 18-48 feet high. We couldn't tell exactly how high we were on the wall, and it was left up to each inspector to estimate

See "Inspector Robot" on page 3

what's new

IN EMPLOYEE NEWS

John Sevier employees work safely 14 years

Employees at John Sevier Fossil Plant recently set a safety record for TVA coal-fired plants by completing 14 consecutive years without a lost-time injury.

The safety streak dates back to May 17, 1990. During this 14-year period, an average of 145 employees at the plant have worked more than 4.7 million workhours.

"Establishing a record like this requires all employees to be constantly alert to potential hazards in the workplace," says Plant Manager Mike Wagner. "This record is a clear indication of the personal commitment of John Sevier employees to work safely."



InsideTVA

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



BFN hosts VIPs



Unit 1 Restart Vice President Jon Rupert updates visitors to Browns Ferry Nuclear Plant May 24 on the Unit 1 restart program under way. From left are Chairman McCullough, Unit 1 Plant Restart Manager R.G. Jones, Rupert, Sen. Jeff Sessions of Alabama, Lisa Ramsey from Sessions' staff, DOE Deputy Secretary Kyle McSlarrow and Sessions' staff member Heather Sawyer. The unit will be the nation's first nuclear unit to be brought online in the 21st century. Work began in 2002 and is scheduled to be completed in May 2007. The restart project is on schedule and on budget.

CRAIG BEASLEY

TVA to receive Bellefonte study funds

Department of Energy Deputy Secretary Kyle McSlarrow announced May 24 that DOE will provide the requested \$2.1 million in funding for a team of companies to complete a study to validate the construction cost and schedule for an Advanced Boiling Water Reactor, or ABWR, at Bellefonte.

TVA, Toshiba Corp., General Electric Corp., Bechtel Corp., U.S. Enrichment Corp. and Global Nuclear Fuel-Americas submitted the ABWR proposal in April. TVA will provide staff support. The other companies involved will fund half the estimated cost of the study, and DOE will fund half.

TVA also is participating in a separate proposal submitted to DOE from NuStart Energy Development LLC, a consortium of 10 companies. The NuStart Energy proposal would inves-

tigate the Nuclear Regulatory Commission's new licensing process for nuclear-power reactors and the completion of advanced reactor designs.

NuStart Energy is comprised of seven other utilities (Exelon, Entergy, Southern Co., Constellation Generation, Duke, EDF International North America and Florida Power & Light) and vendors GE and Westinghouse. TVA will provide only staff support. Like the Bellefonte proposal, the NuStart Energy proposal makes no commitment to build a nuclear reactor at this time.

"TVA employees are considered a valuable addition to both these projects because of the excellent operational record of our units and our consistent progress on Browns Ferry 1 restart," says Chief Operating Officer Ike Zeringue.

Insidebriefs

TVA Retirement Services will accept nominations through Monday, June 21, for a three-year term on the TVA Retirement System Board of Directors. **tvvars**

The term will run from Nov. 1, 2004, through Oct. 31, 2007. Any active member of the TVA Retirement System is eligible to run for election. Nominations will be made by petition, which must be signed by at least 25 TVARS members. Details are on the TVARS site on TVA's internal Web site.

The Warren Rural Electric Cooperative Corp. Board of Directors at its May 25 meeting voted to accept a contract to become a part owner of East Kentucky Power Cooperative when WRECC's power-supply contract with TVA expires in March 2008. WRECC, headquartered in Bowling Green, Ky., gave TVA official notice of contract cancellation in March 2003, which signaled WRECC's intent to seek other power-supply options when its contract with TVA expires. Under the terms of any agreement, the earliest WRECC can begin receiving wholesale power from EKPC will be after WRECC's contract with TVA ends. Power sales to WRECC in fiscal year 2003 represented about 1 percent of TVA's total kilowatt-hour sales. A more

in-depth look at the WRECC decision and wholesale competition facing TVA will be in the July issue of *Inside TVA*.

The preferred alternative

in the Reservoir Operations Study Final Environmental Impact Statement has been approved by the TVA Board. TVA staff began implementing the new operating policy for the Tennessee River and tributary system June 1. The policy maintains TVA's ability to meet fundamental responsibilities for flood control, commercial navigation and power production, while

protecting water quality and accommodating increased demands created by recreational and residential growth. The study was begun in 2002 under the direction of Project Manager David Nye. During that time, a core team conducted community workshops throughout the Tennessee Valley, collected and analyzed data, and performed computer modeling and assessments to determine the preferred alternative. More ROS information is available on www.tva.com.

Reservoir
Operations
Study

what's new online

TVA's newly released Environmental Report, available on www.tva.com, offers a look at TVA's environmental performance for the two-year period of 2002-03. It covers TVA's successes and challenges in improving air and water quality, providing renewable energy sources, and protecting shoreline and wildlife resources. The report also includes a TVA Board question-and-answer section. TVA's six environmental principles — "Management Commitment," "Environmental Protection & Stewardship," "Pollution Prevention," "Environmental Compliance," "Partnerships & Public Involvement" and "Innovation & Technology" — form the framework of the report.



About the WP indicators

Safe workplace — a 'must' for all

The fourth and final in the series on the indicators used on TVA's Balanced Scorecard explains the Safe Workplace measure. More information is available on the Winning Performance section on TVA's internal web site.

Whether it's a "stand-down meeting" at a plant, where employees gather to reiterate safety basics, or an individual stands up to suggest better safety processes or ideas, any safety-related activity matters. The Safe Workplace indicator gauges TVA's success at providing for the protection of all employees, says Ed Lindler, Project Manager, Corporate Safety in Corporate Human Resources, and key contact for the measure.

"That's why it's under our "People" category on the scorecard," he says. "Employees' safety and well-being are more than priorities. We want these aspects of our business to become company-wide values, because TVA cares."

"The many varied processes we follow are all about ensuring employees' safety, which helps productivity and promotes job satisfaction. Preventing work-related injuries and illnesses helps ensure that each of us returns home to our families at the end of the day in as good physical condition as when we left."

The all-injury rate, or AIR, indicator tracks the number and type of work-related injuries and illnesses reported by employees. The rate is calculated by multiplying the number of all injuries by 200,000 (100 employees working 40 hours a week for 50 weeks a year) and dividing the results by the number of hours worked for the period. Injuries included in the rate

Winning Performance

TVA's Six Strategic Objectives

River and the environment

Affordable, reliable power

Sustainable development

Continuing debt reduction

Reducing TVA's delivered cost of power

Stakeholder relations

TVA Balanced Scorecard for April								
	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	G O A L S		
						Target*	Mid	Stretch
Financial								
• O&M Costs (\$ millions)	15%	➔	2,043	2,118	3,654	3,644	3,608	3,535
• Financial Strength (\$ millions)	15%	⬆	215	26	225	225	275	375
• Productivity (kWh/\$)	10%	⬆	146.3	140.4	147.8	147.8	150.8	152.4
Customer								
• Customer Satisfaction (%)	10%	⬆	131.6	100.0	130.0	100.0	117.0	130.0
• Economic Development (index)	10%	⬆	117	100	100	100	110	120
Operations								
• Asset Availability (%)	20%	⬆	101	98	101	98	100	102
• Environmental Impact (index)	10%	⬆	76	92	98	98	91	85
People								
• Safe Workplace** (all injuries/hour worked)	10%	⬆	1.62	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
- ➔ = Forecast worse than Target, but recovery is possible
- ⬇ = Forecast worse than Target, and recovery is unlikely

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

are those resulting in a fatality, lost-time, medical treatment or by a workers' compensation claim being accepted by the Department of Labor.

"Since 1996 when we began tracking and reporting this indicator, the AIR has improved by almost 50 percent through the end of fiscal year 2003," Lindler says. "Through April of this year, the

AIR reflects continued improvement and is better than our FY 2004 target.

"Every employee in TVA can directly affect this measure by being aware of their roles and responsibilities and adhering to our safety processes and procedures as defined in the TVA Safety Manual."

— CAROLYN BRADLEY

Inspector Robot continued from page 1

the point we were at to collect data."

Now they have a more efficient and safer method to obtain measurements.

"Because of its size and ability to travel up and around the outside of the tank, which holds five million gallons of fuel oil, the magnetic crawler can record the exact point where the wall may be thinner. This allows the inspector to determine if and where repairs are needed. We now can use one or two people to handle the remote control and the robot."

About 60 magnets are attached to the robot's tank-like tracks to help it maneuver along the outside of the carbon-steel walls. A camera on the robot assists with positioning of the transducer in restricted locations and allows visual examination of the steel plate.

Once the data are collected, Harvey prepared a report for the plant manager with recommendations for continued operations or repairs.

Steve Halcomb, Project Manager in Energy Research & Technology Applications' Power Production Technologies, says the tank robot is a spin-off of a large

robot his group originally developed in 2000 to inspect fossil boilers.

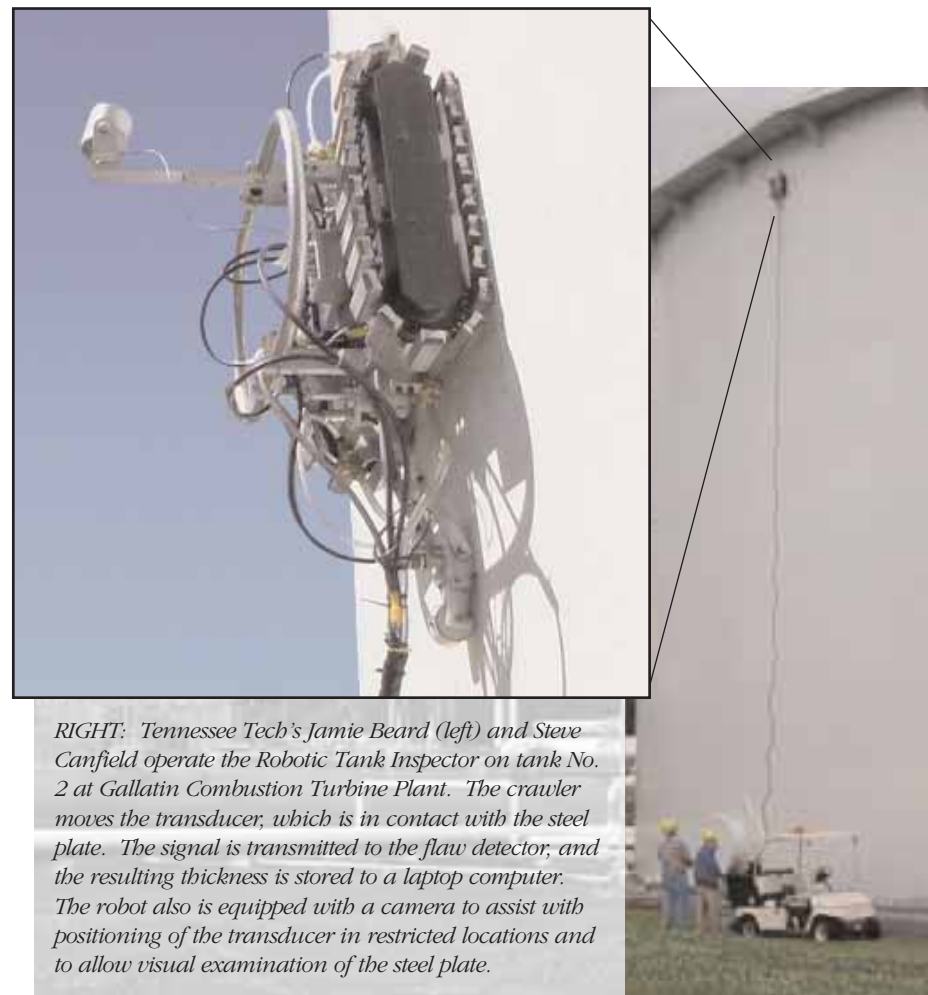
"This is a great example of an unexpected benefit from ongoing research-and-development projects," says Director Skila Harris. "And it shows employees are thinking in innovative ways that will ultimately make a difference for the electric-power industry."

The boiler robot was tested on Bull Run Fossil Plant's fuel-oil storage tanks in 2002 to determine if it was feasible to initiate a new development. A year later, Jamie Beard, then an engineering graduate student at Tennessee Technological University, and his professor developed, built and tested the new model.

Halcomb says while other companies offer similar robotic products, the partnership with the university was the best route.

"Those companies want to offer the service of the robot for an hourly fee," he says. "It was more cost-effective for us to work with a local university and for TVA to own the product."

— LA'NITA JONES



RIGHT: Tennessee Tech's Jamie Beard (left) and Steve Canfield operate the Robotic Tank Inspector on tank No. 2 at Gallatin Combustion Turbine Plant. The crawler moves the transducer, which is in contact with the steel plate. The signal is transmitted to the flaw detector, and the resulting thickness is stored to a laptop computer. The robot also is equipped with a camera to assist with positioning of the transducer in restricted locations and to allow visual examination of the steel plate.

A visit inside

TVA'S Power Service Shops

On a typical day, Power Service Shops workers are dismantling, refurbishing and repairing turbines, rotors, exciters and other major equipment that keep the power flowing for generating and transmitting electricity.

Field Supervisor Daisy Oakley gets the right folks to the right jobs in the right location within hours. Oakley matches the people with the skills to the jobs for the Power Service Shops in Muscle Shoals.

And through her wall chart, she knows exactly where every employee is for each outage.

"We have 11 outages going on right now," says Oakley. "At Kingston Fossil Plant alone, 103 people are working on the three-unit outage. If our Manager, Dave Brock, comes in and asks where a certain Machinist, Steamfitter, Boilermaker, Carpenter or Supervisor is, I can find the name quickly."

Oakley is part of the team of skilled craftworkers, engineers, supervisors and managers who keep TVA's generating units running — efficiently and productively.

If the equipment can't be repaired at the fossil, hydro or nuclear plant or at the substation, it's transported to the Power Service Shops.

"For one outage, we might have 100 18-wheeler loads — up to 100 tons — coming into the shops," says Brock. "We photograph each piece that needs to be repaired and prepare a work package for the craftworker to use.

"Our job is to provide the workers with the tools to be successful. They let us know what the obstacles are. We knock down the barriers to getting the work done quickly and safely.

"The people who do this work make TVA happen. We appreciate every one of them."

During the outage season, workers are on the job 24 hours a day, seven days a week. These pages show a sampling of the work on a typical day in May. Additional pictures are on the online edition of *Inside TVA* on www.tva.com. — NANCY CANN

If you think your department is a good candidate for a "Day In The Life" feature, e-mail Nancy Cann at nmcann@tva.gov.



PHOTOS BY MARK DAVIS

ABOVE: Don Myers, a Machinist at Power Service Shop 1, machine straightens a Widows Creek Fossil Plant rotor. "The rotor weighs 20 tons and runs at 3,600 revolutions per minute," he says. "Our computer can operate the lathe to one-thousandths of an inch. Doing this kind of maintenance makes the unit run more efficiently and keeps the cost of operation down."

RIGHT: Field Supervisor Daisy Oakley wears many hats, coordinating craftworkers for every outage, as well as handling the 126 vehicles for the shops. Oakley also is the Equal Employment Opportunity representative for PSS.



Power Service Shops Manager Dave Brock (right) conducts a Daily Team Meeting. Among those attending are Woody Harrington, PSS Manager of Shop Operations (left) and Shawnee Fossil Plant Manager Jeff Parsley. "During our meetings, we discuss any safety concerns, current outage schedules and corrective-action-program status, as well as our Winning Performance indicators," Brock says. He encourages managers and supervisors to discuss safety issues with every work group. "Everybody's mind has to 'Be Here Now.' We go through the latest incidents to get people refocused on their jobs."

'A Day in the Life' Series

FACTS about the **Power Service Shops**

- Operates 24 hours a day/seven days a week
- Completes about 45 outages a year
- 375 full-time employees
- 1,500,000 workhours a year
- Self-sufficient through cost-reimbursement
- One lost-time accident in four-million workhours
- Cut accident rate in half in five years



LEFT: Project Control Specialist Chris McGee and Project Control Technician Sandra Aycock track work activities for all outages. "We track the progress to make sure we're staying on schedule," says Aycock. "Our job is to make sure we get the work done on time to meet our customers' needs."

BELOW: At Kingston Fossil Plant, Machinist Sonny Bratton (left) and Machinist Foreman Joe Eskridge look at a diaphragm for one of the units. The diaphragm is a stationary blade in a turbine.



ABOVE: Electrician Foreman Mac Butler runs a sand-like substance called "Fullers Earth" through his fingers. The sand is placed in a tank to filter used oil from the generating and transmission units. "We bring in the oil in tanker trucks, pump it through the sand and put the refurbished oil into storage tanks for later use at the plants," Butler says. "We have eight storage tanks that hold 10,000 gallons each."



ABOVE: Quality Inspector Milton Amos inspects a main oil-pump ring for Shawnee Fossil Plant before it is shipped to the plant.



RIGHT: Machinists Don Berry (left) and David Garner inspect a steam rotor from Widows Creek Fossil Plant. The rotor is a spare that is being refurbished for the next fall outage.



CLETUS MITCHELL



ABOVE: Al Horton, Mechanical Production Supervisor, conducts a 15-minute "safety stand-down" meeting with employees in Shop 1. The meeting reinforces the need to work safely every minute of the day. Daily safety meetings are a way of life at the Power Service Shops.

across tva

Chattanooga Live Well — The Weekend Academy and the Live Well Center in Chattanooga co-hosted “Fitness Friend-zy” to promote health education for young people and raise money for Academy activities. Academy students from the 3rd, 4th and 5th grades took part in a variety of fitness activities — including running, jumping, ball-tossing and hula hoops — and helped raise more than \$700 from sponsors’ pledges. Chattanooga-area employees Kim Burrell, Brenda Coger, Myra Ireland, Vivian Jones, Bill Linville, Diedre Nida and Lillie Roshell served as team captains and timekeepers. Other employees contributed financially. The Weekend Academy, created by TVA, is a not-for-profit organization dedicated to the enrichment of inner-city youth.

Gallatin Fossil Plant — Gallatin Fossil Plant sponsored the 9th annual art contest, “Pollution Prevention — Everyone’s Job!”, for students at Oakmont Elementary School in Cottontown, Tenn. Students were encouraged to express their thoughts, concerns and hopes about the future of the environment. Four winners were chosen by representatives from the 4-H Club of Sumner County.



Winners received a certificate to pick out a bicycle. Since the program began nine years ago, hundreds of students have had a chance to learn the importance of a clean environment. Bill Hunt, Environmental Program Administrator, said he hopes this awareness carries over into the rest of their lives.

Resource Stewardship — At a science workshop at the Knox County (Tenn.) Teachers Center, TVA staff members outlined basic Resource Stewardship activities and focused on how TVA works with community partners across the Tennessee Valley to promote responsible environmental stewardship. The

presentation was arranged through the TVA Speakers Bureau. • Staff members participated in the 2004 “Healthy Water, Wealthy World” Conservation Camp sponsored by the Clinch-Powell Resource Conservation & Development Council. The camp, held along the Clinch River, provided 6th-grade students from five counties an opportunity to learn about water quality and other environmental topics through hands-on learning activities.

Across TVA highlights news, achievements and activities of TVA organizations. E-mail submissions to Nancy Cann 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.

the power of public service

Kindness to others earns Bowman Hero Award

Even as a teenager, Suzan Bowman knew she wanted to be involved in charity work.

“My whole life, my mission has been to help make the world a better place to live,” says Bowman, an Organization Effectiveness Consultant in Human Resources.

Bowman, a TVA employee for 25 years, has volunteered her time with the Smoky Mountain Region CFC for the past six years, serving as TVA Co-Chair, Loaned Executive and Local Federal Coordinating Committee Chair.

Her accomplishments led Rose Sexton, Business Services Manager for TVA Police and Co-Chair of TVA’s SMR CFC for the past two years, to nominate Bowman for the 2003 CFC Hero Award, presented annually to one federal worker from the civilian, military and postal communities.

“Suzan’s enthusiasm is contagious among campaign workers, and it encourages them to show their volunteer spirit,” says Sexton. “She is a remarkable person, and her spirit of helping others will continue with her daughter, Rachel, who is studying to be a doctor.”

Bowman received the award for the civilian community and was recognized in an awards ceremony at

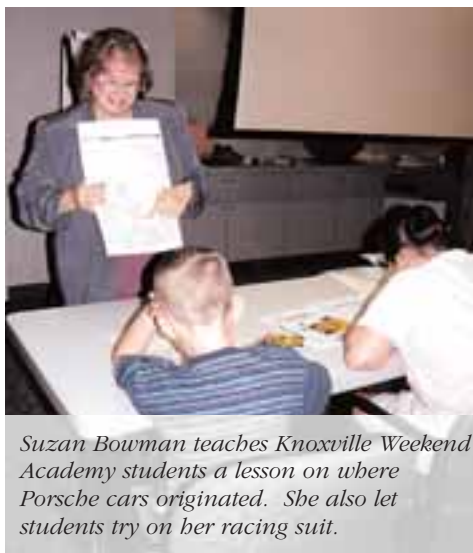
the White House on May 21.

“I feel very humbled,” Bowman says. “There are many other people at TVA who work equally as hard as I do. I am very honored to accept this award.”

Through Bowman’s guidance and strategies, CFC contributions increased every year she served as co-chair. Her leadership skills have helped her succeed in her professional career and earn recognition for her work with other charitable organizations such as the United Way, the March of Dimes and the Alzheimer’s Association of Eastern Tennessee.

“It is important to give back to the community you live in,” says Bowman. “The CFC is unique because it allows you to choose whether you want to donate locally, regionally, nationally or even internationally. As federal employees, we can use the benefits we have to help others who are less fortunate.”

In her free time, Bowman serves as a national officer in the Porsche Club of America and races her Supercharged 911 Porsche competitively — often winning first place. She is currently learning how to play the hammer dulcimer and is a mem-



Suzan Bowman teaches Knoxville Weekend Academy students a lesson on where Porsche cars originated. She also let students try on her racing suit.

ber of the Smoky Mountain Single Action Shootist Society, which she describes as a place “where we get to play cowboys and cowgirls.”

While at TVA, Bowman hopes to encourage younger-tenured employees to get involved in CFC and step up into leadership roles.

“The most rewarding part of participating in CFC is seeing the people who are helped by the campaign,” she says. “When you can actually see the effect your donation has on people, it is very worthwhile. You are helping them better their life.” — MICHELLE CHANG

This issue begins a series of features on employees who have contributed to TVA’s volunteer efforts through TEAM TVA. To recommend a candidate for consideration, e-mail Nancy Cann or send information to Inside TVA, ET 6E-K.

around the industry



As if increases in gasoline prices hadn’t walloped consumers and businesses enough, rising coal prices are about to take their turn. Charlotte-based Duke Power Co., which serves parts of Durham County, has asked state regulators to allow the company to increase the rates paid by residential customers by 1.4 percent to 2.2 percent per month. If approved, the increase would begin to take effect in July. Raleigh-based Progress Energy is expected to request a similar rate increase in June, though the company says it hasn’t yet determined the precise percentage to be requested. Any increase approved for Progress would become effective in October. If Duke’s fuel-adjustment request is approved, large industrial customers’ monthly bills would rise by 1.6 percent to 2.2 percent. Duke says it expects the cost of buying coal to spike to \$33 a ton compared to \$27.80 in 2003 and \$25.78 in 2002. Recent coal contracts have been negotiated at about \$45 a ton, the company says. — *Triangle Business Journal*

Hopes for a quick settlement of the Louisville Gas & Electric and Kentucky Utilities rate-increase case have fallen apart. Attorney General Greg Stumbo remained opposed to the rate increase even after the two utilities pared the request during closed-door negotiations. LG&E and KU had initially proposed a \$141-million yearly rate increase, but had cut the request back to \$100 million during the negotiations. Stumbo said that even a \$100-million increase is more than the utilities needed. — *courier-journal.com*



The Indiana Utility Regulatory Commission approved a rate increase that will have an 8.36-percent average impact on current electricity rates for customers of PSI Energy, the Indiana operating company of Cinergy Corp. It is the company’s first base rate increase in nearly eight years. A large part of the increase is for major projects that help the company meet its environmental responsibilities, serve the growing power demands of its customers, and maintain the reliability of its systems. The rate increase will vary among consumers depending on the cost to serve different types of customers. — *Yahoo Finance*

South Carolina Electric & Gas Co. customers



will pay a little more for electricity. The company raised the price of electricity by just over a 10th of a cent per kilowatt hour, or by \$1.43 per month for the average home using 1,000 kilowatt hours per month. The new rate was effective with the May billing cycle. In the past year, there has been a 50-percent increase in the cost of coal SCE&G uses to generate 65 to 70 percent of its electricity, said company spokesman Robin Montgomery. SCE&G, a subsidiary of Columbia-based SCANA Corp., will not earn a profit on the rate increase, he said. — *PowerMarketers.com*

This feature provides brief highlights of events in the electric-utility industry. More information is available in Power Bolts, accessible through TVA TODAY.

Opening Doors

Maximizing opportunities, learning new skills

Staying positive. Being professional. And using TVA's outplacement resources and services. Reba Whitson is using all these as she searches for a new position inside and outside TVA.

"I've kept busy focusing on job opportunities," says Whitson, whose position as Business Support Representative in the Chief Financial Officer organiza-

tion was surplusd as a result of program reviews this spring.

"I believe when one door closes, another one opens."

Whitson has taken charge of her future by attending all three of the outplacement workshops. And she is using the expertise of Sue Hall, a Consultant in Corporate Human Resources, to critique her resume and coach her in interviewing techniques.

"These workshops provided a lot of information and tools, as well as valuable handouts," Whitson says. "They offer good skills for anyone who would want to brush up on resume-writing or interviewing."

Since April, Resumes That Work, Job Search Strategies and Interview Success workshops have been offered in Knoxville and Chattanooga. They have received excellent evaluations from participants, says Stephanie Hale-Smith, Manager of Design & Development.

"We are providing support services employees need," she says. "From talking with them and from reading the evaluations, the participants have not been disappointed with the resources being offered."

Whitson says the positive attitudes of the workshop facilitators have transferred to the participants, and her Manager, Wilson Taylor, has encouraged her in her job search.

"The facilitators have been more than willing to help," Whitson says. "Sue has helped us with editing our resumes and cover letters. Terri Woods,



Reba Whitson (left) and Sue Hall go over Whitson's resume and cover letter and discuss a recent interview she had.

Outplacement Learning Workshops

The following are outplacement workshops being offered this month.

Resumes That Work

Tuesday, June 8 — Knoxville 9-11 a.m.

Wednesday, June 9 — Chattanooga 9-11 a.m.

Tuesday, June 15 — Knoxville 9-11 a.m.

Wednesday, June 16 — Chattanooga 9-11 a.m.

Job Search Strategies

Tuesday, June 8 — Knoxville noon-2 p.m.

Wednesday, June 9 — Chattanooga noon-2 p.m.

Tuesday, June 15 — Knoxville noon-2 p.m.

Wednesday, June 16 — Chattanooga noon-2 p.m.

Interview Success

Tuesday, June 8 — Knoxville 2:30-4:30 p.m.

Wednesday, June 9 — Chattanooga 2:30-4:30 p.m.

Tuesday, June 15 — Knoxville 2:30-4:30 p.m.

Wednesday, June 16 — Chattanooga 2:30-4:30 p.m.

Details and registration information are on the Employee SelfService site under Staffing/Program Review Implementation.

Manager of TVA's Outplacement Program, has been sending us job leads from external companies interested in TVA employees impacted by recent workforce reductions. And they showed us how to search on Monster.com and other Web sites for jobs."

Whitson's friend, Johnnie Keck, who also attended the workshops, has already found a job with the Department of Energy in Oak Ridge. Whitson is targeting her search in Knoxville and Oak Ridge.

"I went on an interview screening at KUB," she says. "Because of the interviewing skills I learned through the workshops, I knew what the interviewer was going to ask. I'm now better prepared when I go for other job interviews." — NANCY CANN

SUCCESSING in changing times

Movement in a new direction helps you find the cheese.

When you move beyond your fear, you feel free.

Imagining myself enjoying new cheese even before I find it, leads me to it.

Move with the cheese and enjoy it! The end ... or is it a new beginning?

From Who Moved My Cheese by Spencer Johnson, M.D.

In the book, "cheese" is a metaphor for what you want in life — a good job, a loving relationship, money, a possession, health or spiritual peace of mind.

BC/BS of Tennessee to issue new ID cards



Employees and retirees with Blue Cross/Blue Shield of Tennessee medical coverage will begin receiving new identification cards in June.

"Identification numbers for enrollees are being changed from Social Security numbers to address privacy concerns," says Charlie Wright, Manager of Health Plans in Employee Benefits. "The new identification numbers will be randomly generated by BC/BS. Only the enrollee and BC/BS will have access to the enrollee's new identification number. TVA will not maintain records of the new numbers."

Cards are being issued to employees and retirees with medical coverage under the preferred-

provider organization medical plans and to retirees with coverage under the Medicare supplement plan.

The new identification cards will be mailed to employees and retirees at their home addresses. Those with BC/BS medical coverage who have not received their card by Aug. 1 should call BC/BS at 1-800-245-7942 to request a new card.

BC/BS says payment of claims should not be disrupted during this transition, because the old identification numbers will be cross-referenced in the claims-processing system to the new numbers.

"It's important for members to begin using their new ID cards immediately for healthcare services

from hospitals, physicians and other providers covered under the BC/BS medical plan," says Wright.

He says currently only BC/BS is changing the way it identifies its members by removing the Social Security numbers from identification cards.

"Employees and retirees with identification cards from Medco Health, EyeMed Vision Care or other health-plan administrators should continue to use those cards for prescription-drug, vision and other benefits. Employees and retirees will be notified if other insurance companies or plan administrators make similar changes to issue new cards."

— BECKY THOMASON

Achievements, hard work earn students college dollars

The competition was intense, but the prospect of receiving up to \$5,000 a year to the college of their choice prompted 165 high-school seniors to apply for one of 12 TVA Employee Dependent Scholarships.

The program, which began in 1994, presents the renewable scholarships for up to five years of undergraduate study, providing the student maintains a 3.0 cumulative Grade Point Average.

An external academic team evaluates the applicants based on their high-school GPA, ACT/SAT test scores, two letters of recommendation, community/leadership involvement and a proctored essay.

Here are this year's winners and their parent's name:

Zachary Akers, son of Steve Akers; **Julie Bell**, daughter of George Bell;

Namita Bisaria, daughter of Veenita Bisaria; **Eric Brown**, son of Philip Brown; **Laura Keys**, daughter of T.A. Keys; **Jason Parcus**, son of Jackie Parcus; **Jake Proffitt**, son of Rusty Proffitt; **Sarah Proffitt**, daughter of John Proffitt; **Elena Sanchez**, daughter of Mark McCreedy; **Amanda Kay Seals**, daughter of Phil Seals; **Jessica Thompson**, daughter of Tommy Thompson; **Lauren Woodall**, daughter of Jack Woodall

Allie Martin, daughter of Marty Martin, was one of the original 12 recipients, but declined the TVA scholarship because she received a full scholarship from the Martin Luther King Peace Award to the University of Louisville.

Additional information and pictures of the recipients are in the online June *Inside TVA* on www.tva.com.

Insider



STEVE CORUM

At the Watts Bar Live Well Center, Jim Hoover uses a squat machine to exercise his lower-body muscles.

Hoover's heart healthier and living well

How old would you be if you didn't know how old you are? That's a question Jim Hoover often asks. Because of the Live Well Center, he says he feels much younger than his age.

Jim Hoover is a walking miracle. But it took walking into the Live Well Center at Watts Bar Nuclear Plant to get to the miracle part.

Before he retired at the end of May after 32 years with TVA, Hoover, a Maintenance Electrical Foreman in the Maintenance Electrical Group at Watts Bar, spent every lunchtime walking on the treadmill and lifting weights.

But, because of hereditary heart disease, Hoover

says he's lucky to be alive.

"In 1994, when I was 47, I had my first angioplasty for three blockages," he says. "In '98, I had another angioplasty surgery, and in 2002, my cardiologist found an aneurism on the aorta.

"When I went into the hospital to have that repaired, the doctors decided to do five bypasses and a valve replacement. About four weeks later, I was air-lifted to Erlanger Hospital in Chattanooga where they cleaned out the fluids from around my heart."

That's when Hoover really saw the handwriting on the wall.

"I heard the nurses say 'Don't leave us, don't leave us.'"

Hoover smoked cigarettes for about 20 years, but quit in '94. He occasionally smoked a pipe for several years afterward, and now doesn't do that.

"My dad passed away from heart failure at the age of 53, and my only sister died from a massive heart attack at 51. She was overweight, smoked and had

diabetes. I knew I had to do something for myself."

After spending the summer of 2002 recovering from his surgery, Hoover was determined to get fit.

"I started out slowly on the treadmill and gradually increased my speed and time. I also do stretching exercises, lift free weights and use the EFX elliptical fitness crosstrainer to get my heart rate up.

"Now that I'm retired, I plan to use the Live Well Center as much as I can, but I won't go as often, since I live about 30 miles away. I have a treadmill and free weights at home."

Hoover encourages employees and other retirees to have active lifestyles and use the Live Well Centers. He certainly doesn't plan to sit still.

"At TVA, I was a job steward and past president and business manager of the International Brotherhood of Electrical Workers 1323," he says. "And I've been active in the TVA Veterans Association for 20 years. I got my life membership before I retired, and I'll help out whenever I'm needed. I'm a Mason, so I'll stay active in the Lodge and in the Shrine, which does so much to help children. I learned to play the bagpipes several years ago. I play for different events."

He also plans to do more charity work and use his woodworking shop more.

And another reason for staying healthy and fit: those six grandchildren, 1-13 years old.

"I saw a lot of employees who were overweight and had heart problems," he says. "I tell them they'd better get to Live Well. It not only makes them healthier, it makes them more productive. And most of all, it makes them feel good about themselves."

— NANCY CANN

How Live Well helped Jim Hoover

Jim Hoover says he is the envy of his cardiologist.

"After I started lifting weights, he said I looked better than he did."

As a result of using the Live Well Center, Hoover's blood pressure improved and his pulse rate went down. "I began eating healthier than I used to and tried to stay away from fried foods. My triglycerides and cholesterol have always been real high.

Exercise is the reason they are lower.

"For those who have had heart problems, I challenge them to do something about it."

people, plaudits & promotions

Director Bill Baxter was featured in the April 2004 issue of *Business Tennessee* magazine in a cover story on the 100 most powerful people in Tennessee.



Bill Baxter

The Power 100 list includes accomplished Tennesseans from business, politics, government, religion, education and civic affairs. To compile the premier version of the list, a statewide editorial team conducted hundreds of background interviews to complement existing knowledge of key people and institutions. Those chosen for the list represent diverse fields of interest and geography. *Business Ten-*

nessee was launched in January. It is a broadly circulated business and public-affairs journal that covers the entire state.

Susan Lauver, Senior Manager in Communications & Government Relations, has received the Lifetime Achievement Award from the Public Relations Society of America, Volunteer Chapter.



Susan Lauver

The award recognizes an individual's contributions to the profession of public relations and to PRSA. Lauver manages Message Development & Research for C&GR, where she helps build positive relation-

ships with TVA's stakeholders.

Avice Reid, Senior Project Manager in Information Services Project Management Office in Knoxville, has been elected to a two-year term as President of the Knoxville YWCA Board of Directors.



Avice Reid

As Board president, Reid will lead the 30-member Board in program planning, membership development, establishing finance policy and control, acquiring and maintaining adequate facilities and program delivery. She has been a member of the Board for six years.

inside your thoughts

Please tell us... We're listening

Inside TVA wants to hear your opinions about these current company issues. Some responses may be published. The first 100 responders will receive a small token of appreciation for their participation. Please include your name and work address in your response.

- 1. Based on what you've read or heard, what are the top three things our company is trying to accomplish this fiscal year?**
- 2. What do you see as an immediate threat that could prevent TVA from achieving its goals? What will be your role in helping TVA succeed?**

Three ways to get your answer to us: the *Inside TVA* mailbox in Outlook, on our online edition page or via mail to *Inside TVA*, ET 6E-K. *Thanks!*

Online Extras

With a drill bit, Machinist Don Newton drills out holes on a Kingston Fossil Plant Unit 7 diaphragm, which is used to control steam flow.



Machinist Benji Mason works at the Sermatech Coating facility.

Before work begins, Machinist James Mays takes measurements on a bearing for Watts Bar Hydro Plant. All equipment is tagged with plant name and unit and is photographed when it arrives at the shops.



Machinist Gary Quinn (left) and Mechanical Production Supervisor Al Horton watch a bearing being bored on one of the Power Service Shops' vertical machines.

Barry Hanback, a Machinist, programs the coordinates on a computer for a Widows Creek Fossil Plant high-pressure cylinder. PSS workers will make new rings to prevent any steam leakage.



From left, Electricians Tim Pesto, Doug Tompkins and Gerald Lindley inspect a transformer winding from the Cullman Power Board South Substation.

Using a plasma arc cutter, Machinist Welder Darryl Williford burns a ring out of plate steel. The ring is for a Shawnee Fossil Plant coupling spacer. Williford programs the dimensions into a computer, which sends the information to the plasma cutter to burn the ring.



Keith Cole, Electrician Head Foreman, checks a rotor stator from Gallatin Fossil Plant.

Robert Parker, a Machinist who has been with TVA 30 years, reams holes on a Watts Bar Hydro Plant guide bearing to get them to a specific size. When in operation, the bearing is under water.



Machinists David Garner (left) and Troy Cleveland work on a Watts Bar Hydro Plant diaphragm.

Achievements, hard work earn students college dollars

The competition was intense, but the prospect of receiving up to \$5,000 a year to the college of their choice prompted 165 high-school seniors to apply for one of 12 TVA Employee Dependent Scholarships.

The program, which began in 1994, presents the renewable scholarships for up to five years of undergraduate study, providing the student maintains a 3.0 cumulative grade-point average.

An external academic team evaluates the applicants based on their high-school GPA, ACT/SAT test scores, two letters of recommendation, community/leadership involvement and a proctored essay.

The following are this year's winners, their high school, the college they plan to attend, their parent's name, job title and organization:

Zachary Akers — McMinn County High School, Athens, Tenn.; New York University; son of Steve Akers, Land Use Representative in Resource Stewardship, Lenoir City

Julie Bell — Soddy-Daisy High School; University of Tennessee at Knoxville; daughter of George Bell, Principal Engineer, I&C Engineering Design, Sequoyah Nuclear Plant

Namita Bisaria — Webb School of Knoxville; Princeton University; daughter of Veenita Bisaria, Senior Manager, Finance in the Chief Financial Officer organization, Knoxville

Eric Brown — McCallie School in Chattanooga; Massachusetts Institute of Technology; son of Philip Brown; Specialist in the Nuclear Fuel Division, Chattanooga

Laura Keys — Girls Preparatory School in Chattanooga; Washington University in St. Louis; daughter of T. A. Keys, Manager of Nuclear Fuels, Chattanooga

Jason Parcus — Sparkman High School in Harvest, Ala.; United States Air Force Academy; son of Jackie Parcus, TVA Police Officer,



Elena Sanchez

Guntersville

Jake Proffitt — Ooltewah High School; the University of Tennessee at Knoxville; son of Rusty Proffitt, Nuclear Engineer Licensing, Sequoyah

Sarah Proffitt — McMinn County High School; Vanderbilt University; daughter of John Proffitt, Manager in Residential Marketing, Customer Service & Marketing, Cleveland

Elena Sanchez — Nashville School of the Arts; Nashville State Community College; daughter of Mark McCreedy, Forester in Resource Stewardship, Melton Hill

Amanda Kay Seals — Clinton (Tenn.) High School; University of South Carolina; daughter of Phil Seals, Hydro Tech 1 in River Operations, Greenway



Zachary Akers



Julie Bell



Namita Bisaria



Eric Brown



Laura Keys



Jason Parcus



Jake Proffitt



Sarah Proffitt



Amanda Kay Seals



Jessica Thompson



Lauren Woodall



Allie Martin

Jessica Thompson — Notre Dame High School in Chattanooga; Vanderbilt University; daughter of Tommy Thompson, Manager of Production Technology in Fossil Power Group's Environmental Compliance & Technology Applications group, Chattanooga

Lauren Woodall — Farragut High School in Knoxville; Davidson College; daughter of Jack Woodall, Senior Attorney, Office of the General Counsel, Knoxville.

Allie Martin was one of the original 12 recipients, but declined the TVA scholarship because she received a full scholarship from the Martin Luther King Peace Award.

Allie Martin — Muhlenberg (Ky.) South High School; University of Louisville; daughter of Marty Martin, Unit Operator, Paradise Fossil Plant

TVA Power Distributors Scholarships awarded

TVA and power distributors have awarded 25 children of distributors of TVA power \$4,000 college scholarships through the TVA Power Distributors Scholarship Program.

Recipients were chosen from 128 applicants.

TVA and distributors of TVA power created the scholarship program in 1995 for the children of distributors' employees to encourage students to excel and to recognize the strength of the partnerships between TVA and distributors of TVA power. The program has provided \$532,000 in scholarships to 150 graduating high-school seniors over the past nine years. Recipients are selected by a panel of college professors from across the Tennessee Valley.

The following are the students who received this year's scholarships, along with their parents' name, distributor and college:

Sara Alfrejd, Thomas Alfrejd,

Nashville Electric Service, University of Tennessee, Knoxville

Lauren Bell, Cathy Bell, Fulton Electric System, Georgetown College

Tiffany Bow, Scott Bow, Volunteer Electric Cooperative, Lee University

Crystal Carroll, Lisa Carroll, Middle Tennessee Electric Membership Corp., Tennessee Temple University

Brittany Chunn, Dorothy Chunn, Memphis Light, Gas & Water Division, University of Tennessee, Knoxville

Abby Church, Jerry Eugene Church, Sequachee Valley Electric Cooperative, University of Tennessee, Knoxville

Monica Collins, Faron Collins, Weakley County Municipal Electric System, University of Tennessee, Martin

Emily Donaldson, Neshia Donaldson, Cullman Electric Cooperative, Troy State University

Sarah Easparam, Johnny Easparam, Electric Power Board of Chat-

tanooga, University of Tennessee, Chattanooga

Mallory Faulkner, Timothy M. Faulkner, Jackson Energy Authority, Middle Tennessee State University

Joel Ferrell, Eddie Ferrell, Brownsville Utility Department, Union University

Ben Glover, Wyatt Glover, Paris Board of Public Utilities, University of Mississippi

Greg Guthrie, Edward Guthrie, Scottsboro Electric Power Board, Vanderbilt University

Justin Harris, Jimmie Harris, Sand Mountain Electric Cooperative, Lees-McRae College

Daniel Hinton, Christy Hinton, Alcorn County Electric Power Association, Northeast Mississippi Community College

Tracey King, William King, Bristol Tennessee Electric System, King College

Chris Large, Mike Large, City of Maryville Electric Department, Universi-

ty of Tennessee, Knoxville

Chas Mason, Marshall Mason, Sheffield Utilities, University of Alabama

Millie Norwood, Charles Norwood, Lawrenceburg Utility System, Lipscomb University

Tyler Pettit, James Allen Pettit, Natchez Trace Electric Power Association, Itawamba Community College

John Reynolds, Mark Reynolds, Russellville Electric Plant Board, Western Kentucky University

Katie Rodgers, Doug Rodgers, Athens Utilities Board, University of Tennessee, Knoxville

Georgia Stegall, George Stegall, Pontotoc Electric Power Association, Mississippi State University

Travis Tidwell, Cheryl Tidwell, LaFollette Utilities Board, Centre College

Karen Wilson, Lynne Wilson, Cumberland Electric Membership Corp., Samford University. — PHIL IVEY