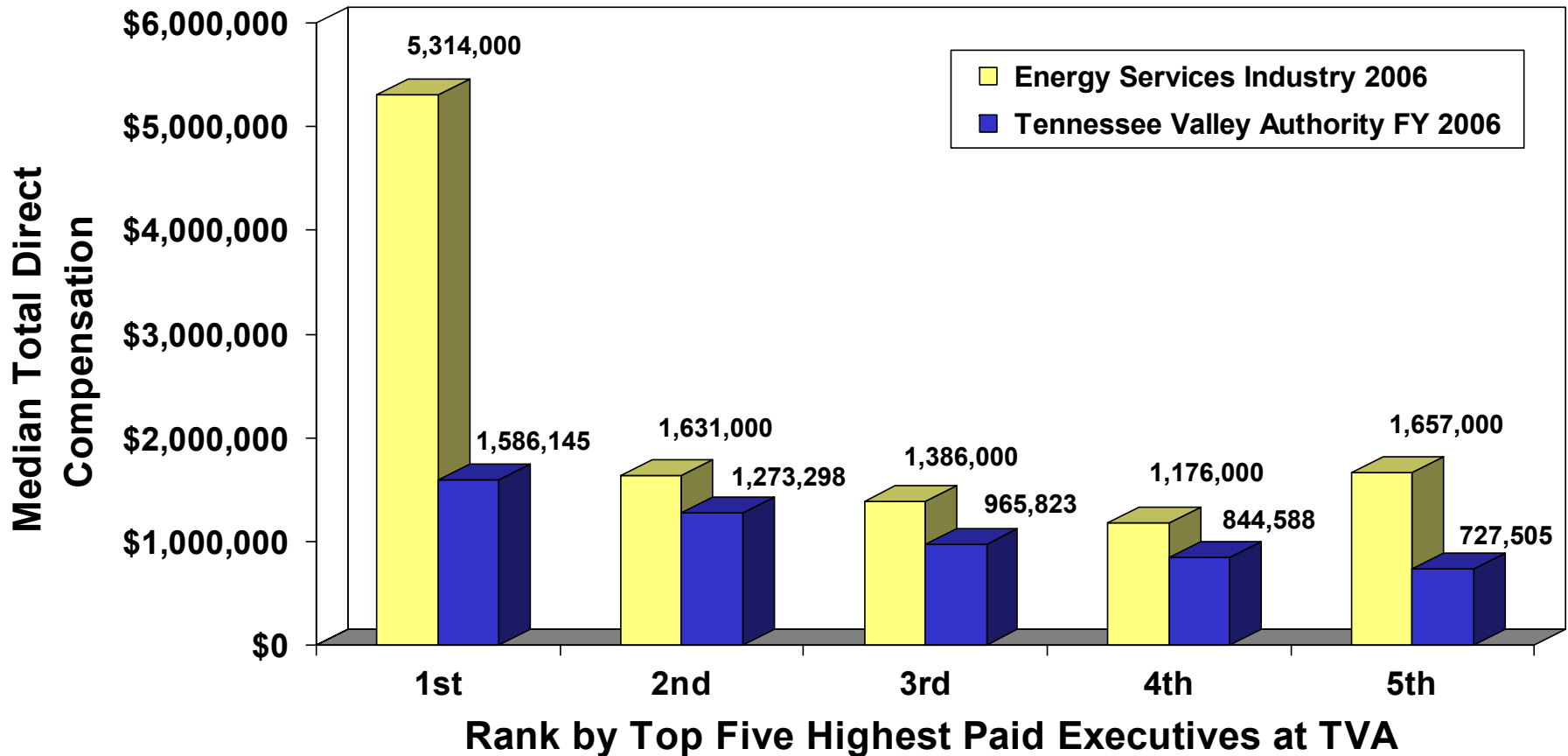


**Median Total Direct Compensation\* for Similar Positions in the Energy Services Industry Compared to the Top Five Highest Paid Executive Officers Named in TVA's 2006 Annual Report**



\* Total Direct Compensation reported for the highest paid positions in the Energy Services Industry includes Salary and Annual and Long-Term Incentives but does not include any other compensation, stock options and grants, employer contributions to retirement accounts, or perquisites prevalent in Investor Owned Utilities.

Total Direct Compensation reported for TVA executive officers includes Salary, Additional Annual Compensation, Annual and Long-term Incentives, Long-Term Deferred Compensation, Vehicle Allowance, and TVA Retirement System's 401(K) matching contribution.

Comparative compensation information was obtained from the 2006 Towers Perrin Energy Services Industry Executive Compensation Survey - based on companies with revenues of \$3 Billion or greater.