



President's Report



Hard Spots

Ice Storm

Economic Downturn and Market Impacts



Ice Storm

Northwest Tennessee,
Western Kentucky hit hard

123,000 consumers left
without electricity

Ice accumulations up to
two inches damaged
50 TVA transmission lines



Distributor systems suffered massive damage

Ice, downed trees and flash floods hampered recovery



Response

Coordinated closely with power distributors

TVA crews worked 24/7 to assess/repair damage

Power restored to all 22 affected TVA delivery points within five days

Some distributor systems still restoring customers





01/29/2009





Hard Spots

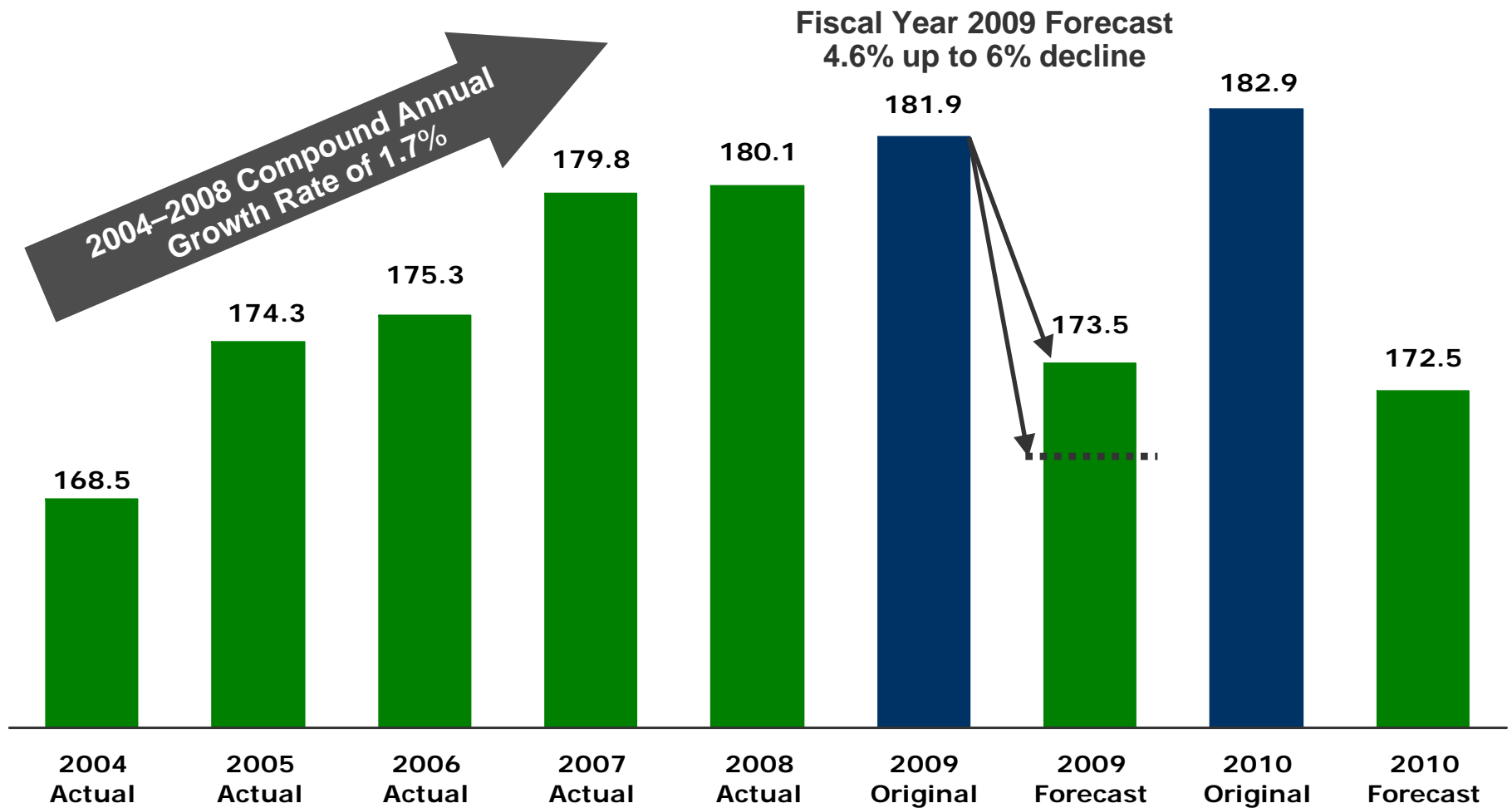
Ice Storm

Economic Downturn and Market Impacts



Economic Impacts

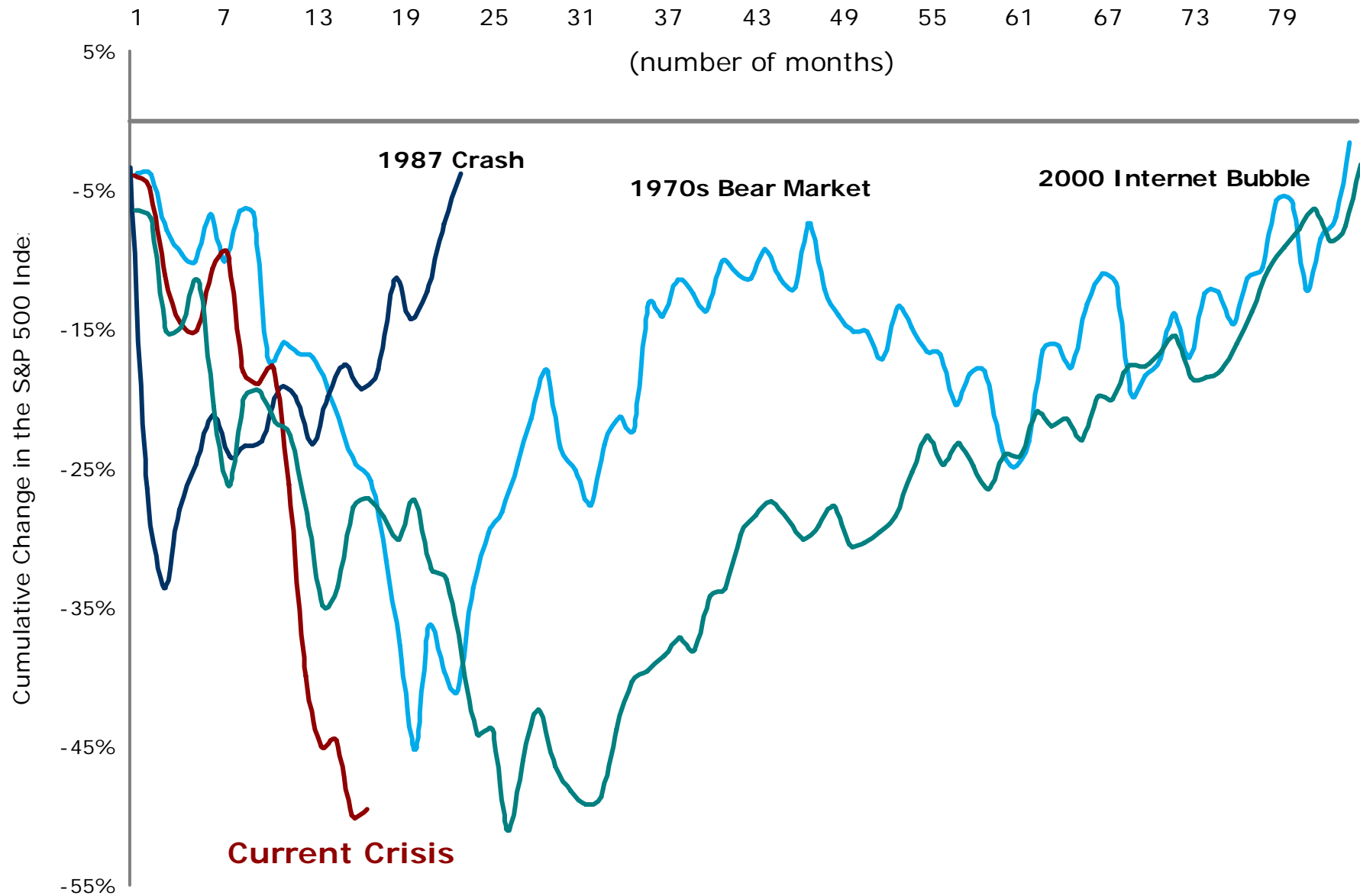
(billion kWh)



Excludes off-system sales

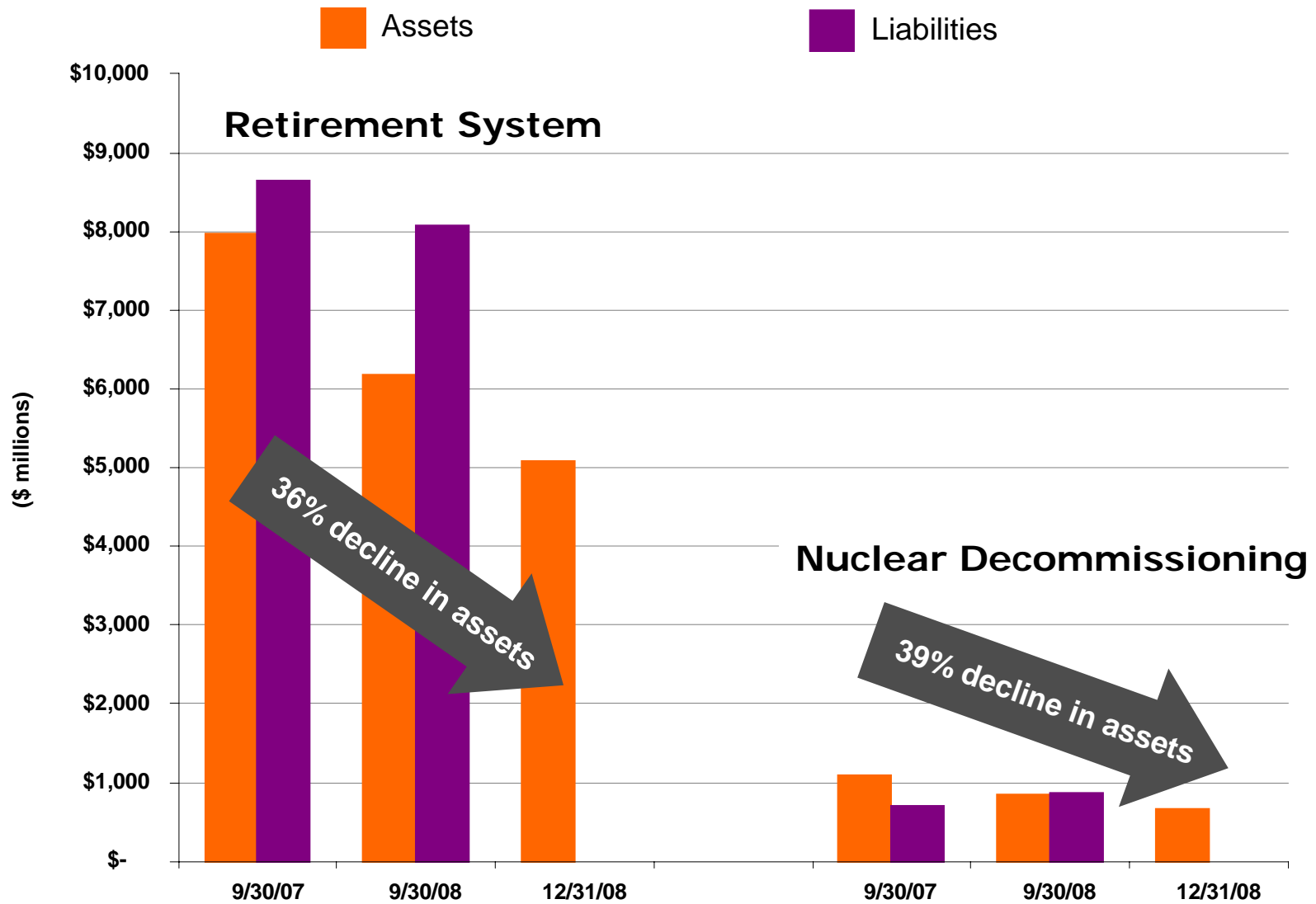


Current and Historic Market Declines





Investment Performance





Highlights

Ice storm recovery efforts

Record all-time daily energy use (688 GWh)

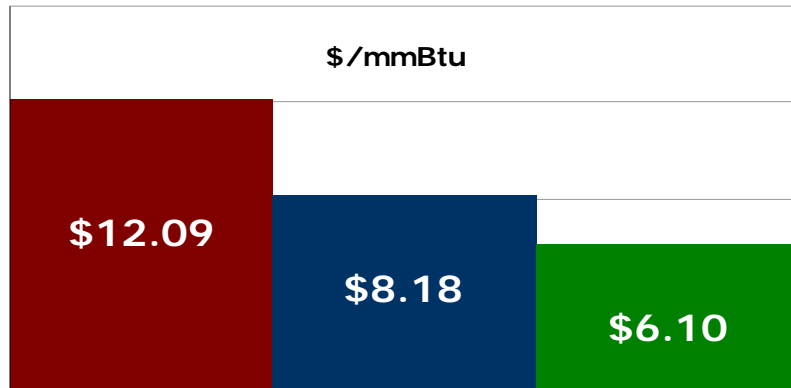
Lower commodity costs

Fuel Cost Adjustment

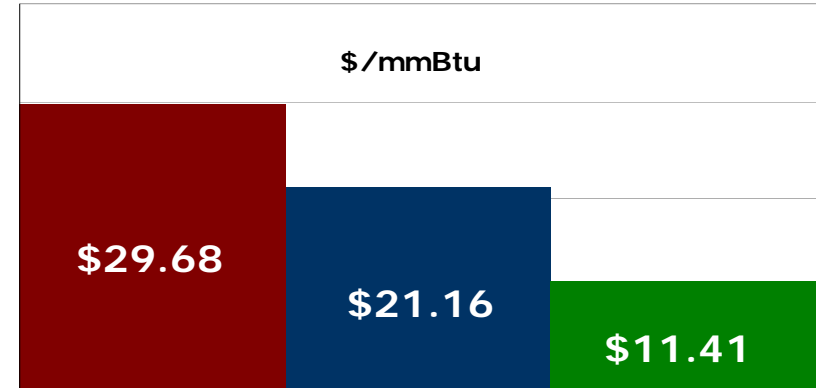


Market Price Comparisons

Natural Gas



Fuel Oil

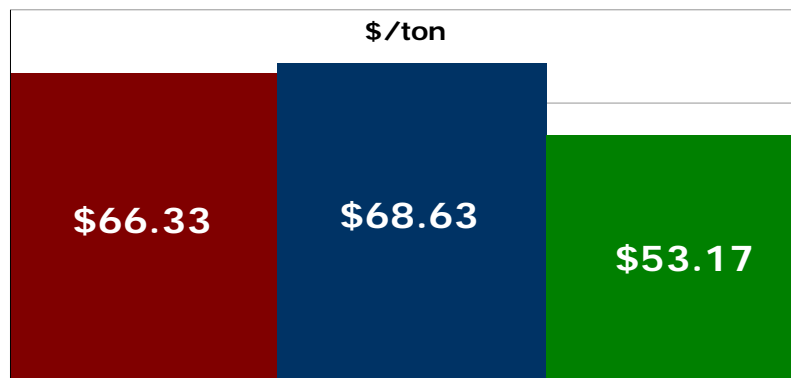


■ August 2008 (Q1 2009)

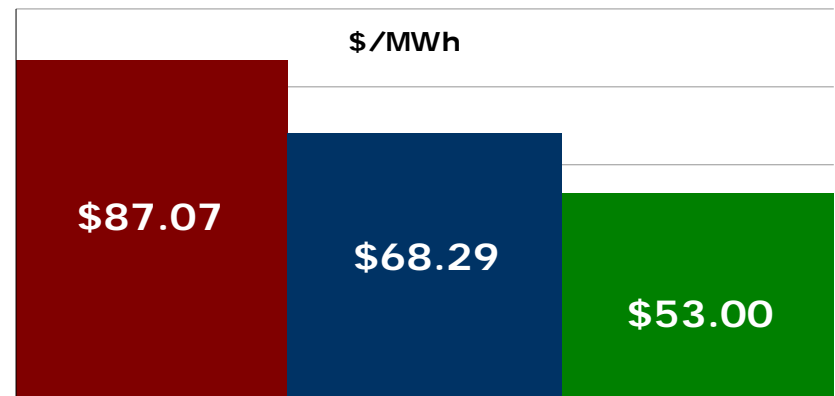
■ October 2008 (Q2 2009)

■ February 2009 (Q3 2009)

Composite Coal



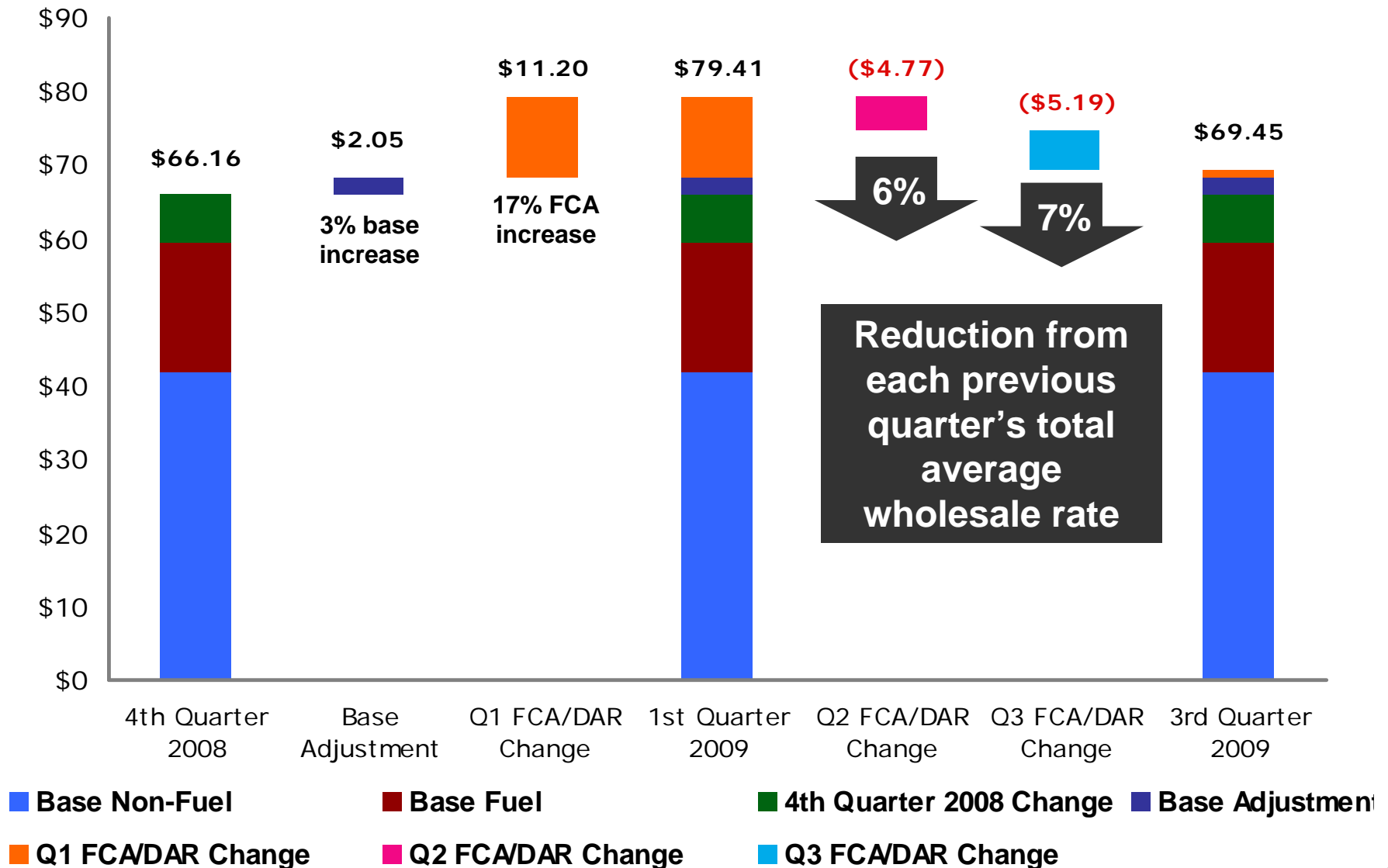
Electricity





Fuel Cost Adjustment

Total Average Firm Rate After 3rd Quarter 2009 FCA Rate Change



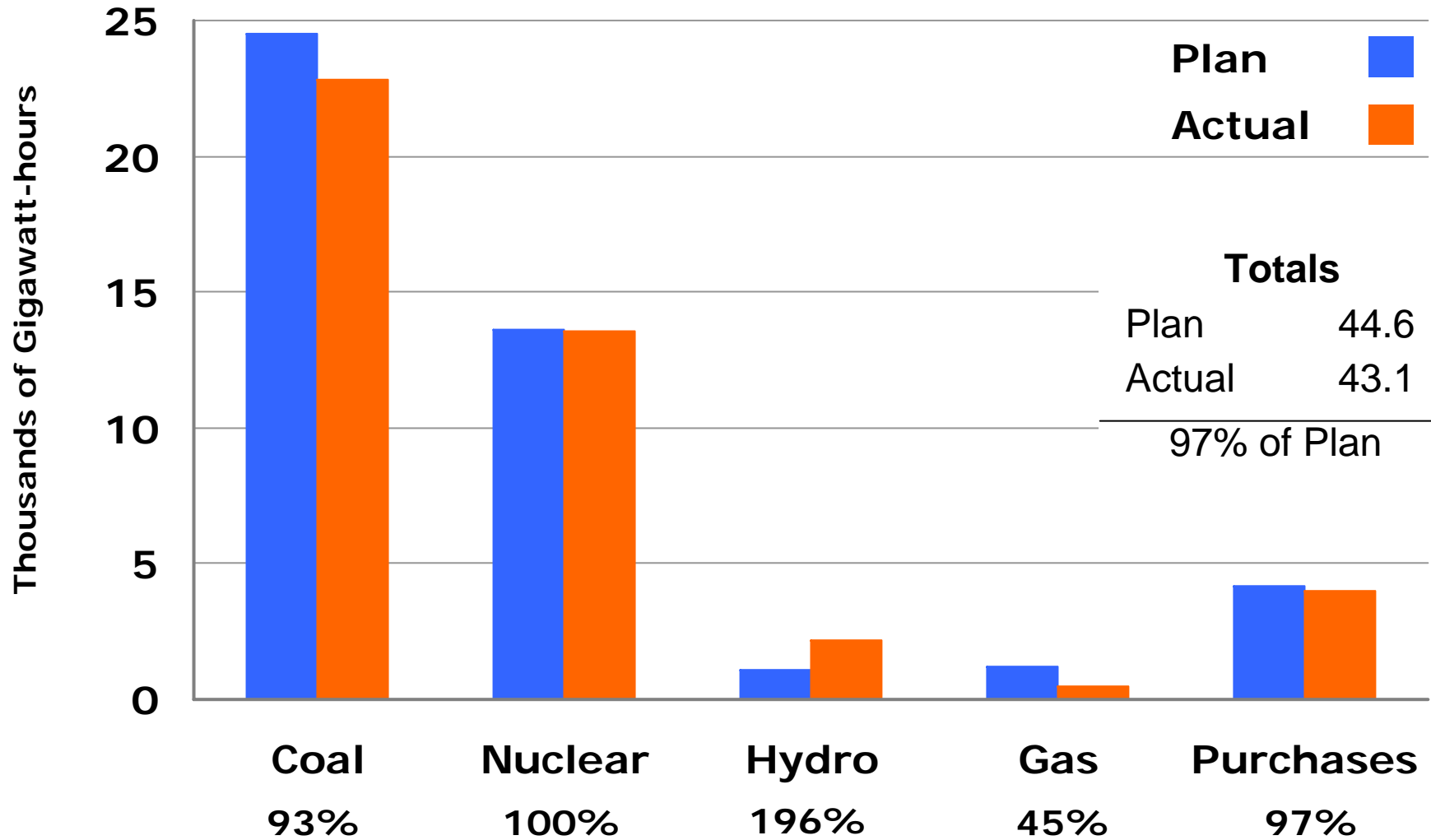


Performance Metrics



Generation

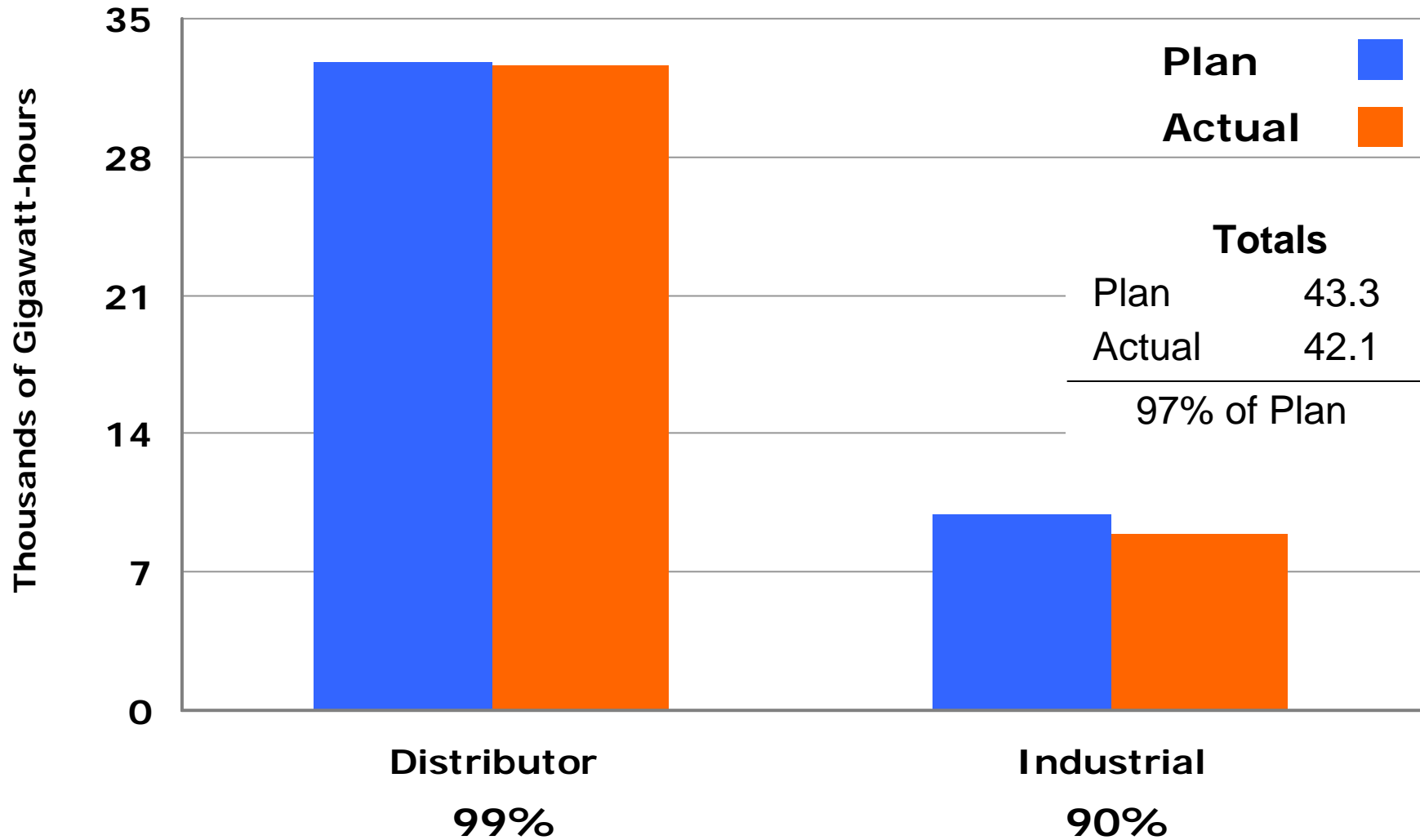
1st Quarter Fiscal Year 2009





Power Sales

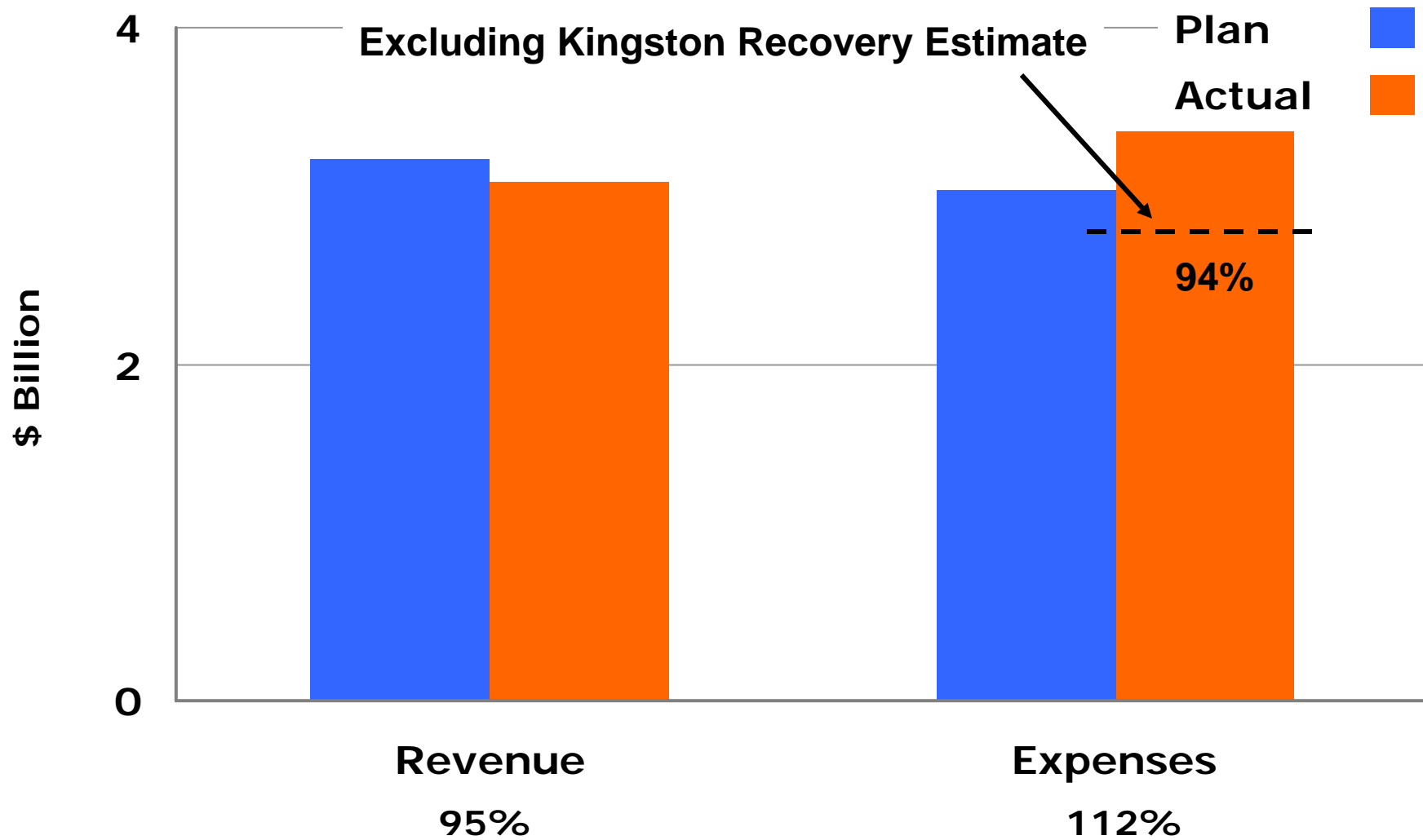
1st Quarter Fiscal Year 2009





Financials

1st Quarter Fiscal Year 2009





Financials

1st Quarter Fiscal Year 2009

