

Over the last month and a half, I've been keeping you up do date with the decision-making process regarding the potential restart of Browns Ferry Unit 1 in Decatur, Alabama.

At today's Board Meeting in Huntsville, Alabama, the TVA Board approved a staff recommendation to restart Unit 1 at Browns Ferry Nuclear Plant and seek license extensions for the other two units. Units 2 and 3 at Browns Ferry currently rank amongst the top 5 in the country and world respectively.

The recommendation was based upon extensive studies into the environmental impact, cost, schedule, and power needs of the TVA region. These studies showed the following:

- Proceeding with the license extensions and Unit 1 restart is the best business decision for TVA, as we position ourselves for competition and determine the most cost-effective way to meet the future power needs of the TVA region.
- Operating the unit will have no significant, adverse impacts on the environment.
- Operation of all three units at Browns Ferry over an extended license period can reduce TVA's delivered cost of power relative to the market.
- Nuclear power has proven to be a reliable and low-cost source of baseload energy for TVA.
- TVA will be able to continue the trend of debt reduction, but at a slower pace until the unit resumes operation.
- The total cost of Unit 1's recovery will be between \$1.7 and \$1.8 billion.
- The timeline for Unit 1's recovery is approximately 5 years.

TVA Nuclear has become a benchmark of excellence in the industry, and we are excited to continue that trend of excellence as we restart Unit 1 and extend the operations of Units 2 & 3. This decision will allow TVA to further diversify our mix of generation assets, which is one of the goals outlined in the Administration's energy policy. Broadening our mix of generation assets will also allow us to effectively manage fuel price trends, such as spikes in natural gas prices.

The attached news release contains quotes from the Board and other information regarding the decision. Thank you for your support, and please call me if I can help answer any questions.

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