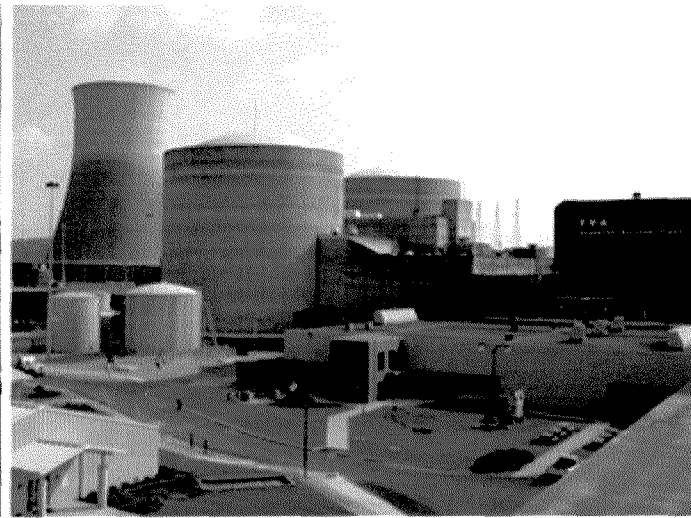
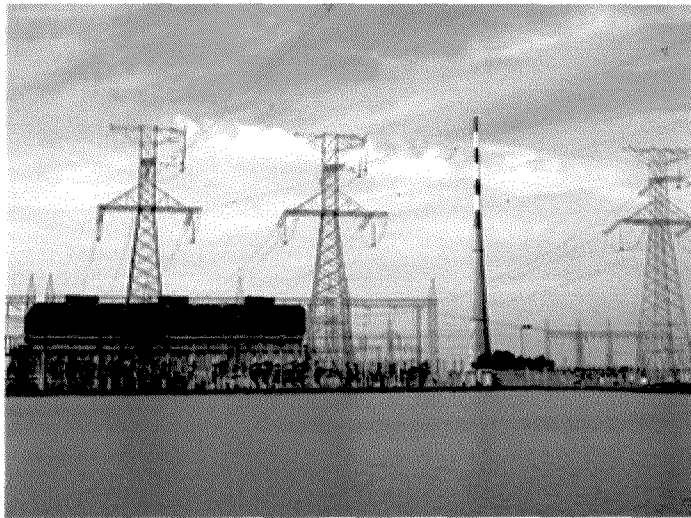




TVA – NRC Executive Meeting February 28, 2006



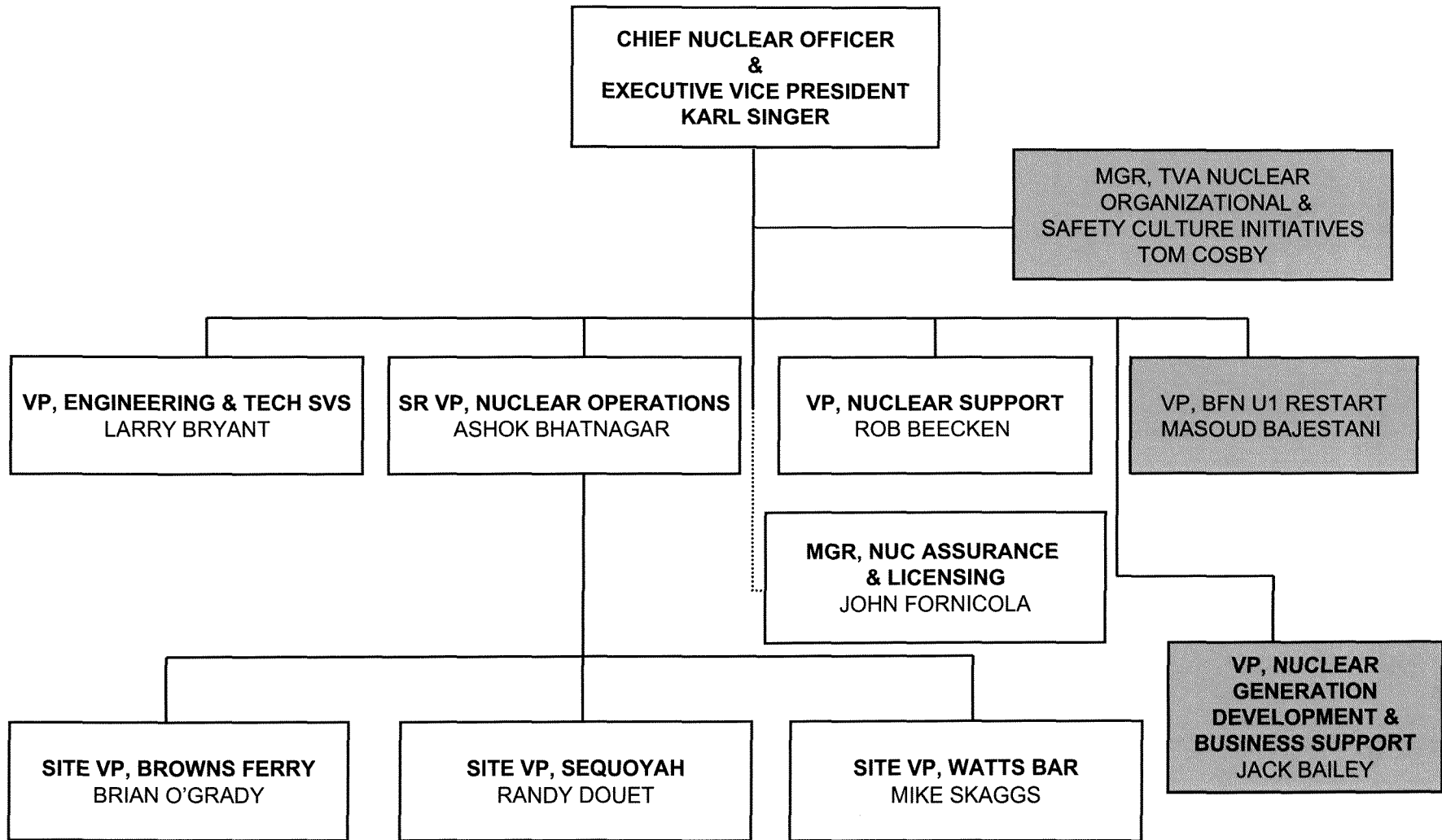


Agenda

- Highlights / Hard Spots
 - Operations Performance Update
 - Safety Culture Consciousness
 - Cultural Health Index
 - Radiation Protection/Industrial Safety
 - Equipment Reliability
 - Human Performance
 - Fuel Reliability
 - Major Projects
 - Browns Ferry Unit 1 Restart
 - Browns Ferry 3-Unit Operational Readiness
 - Oversight Effectiveness
 - Summary
- Karl Singer
Ashok Bhatnagar
Randy Douet
Tom Cosby
Mike Skaggs
Brian O'Grady
Brian O'Grady
Larry Bryant
Rob Beecken
Masoud Bajestani
Brian O'Grady
John Fornicola
Karl Singer



Organizational Changes





Highlights

- All Sites in Licensee Response Column of ROP Action Matrix
 - All Performance Indicators Green
 - No Greater-than-Green Findings
- Declining Trend Arrested
- Best Ever Equipment Reliability Performance
- Maximum INPO Points Achieved on Both Sequoyah Units
- Dry-cask Storage Campaigns Completed at Browns Ferry and Sequoyah

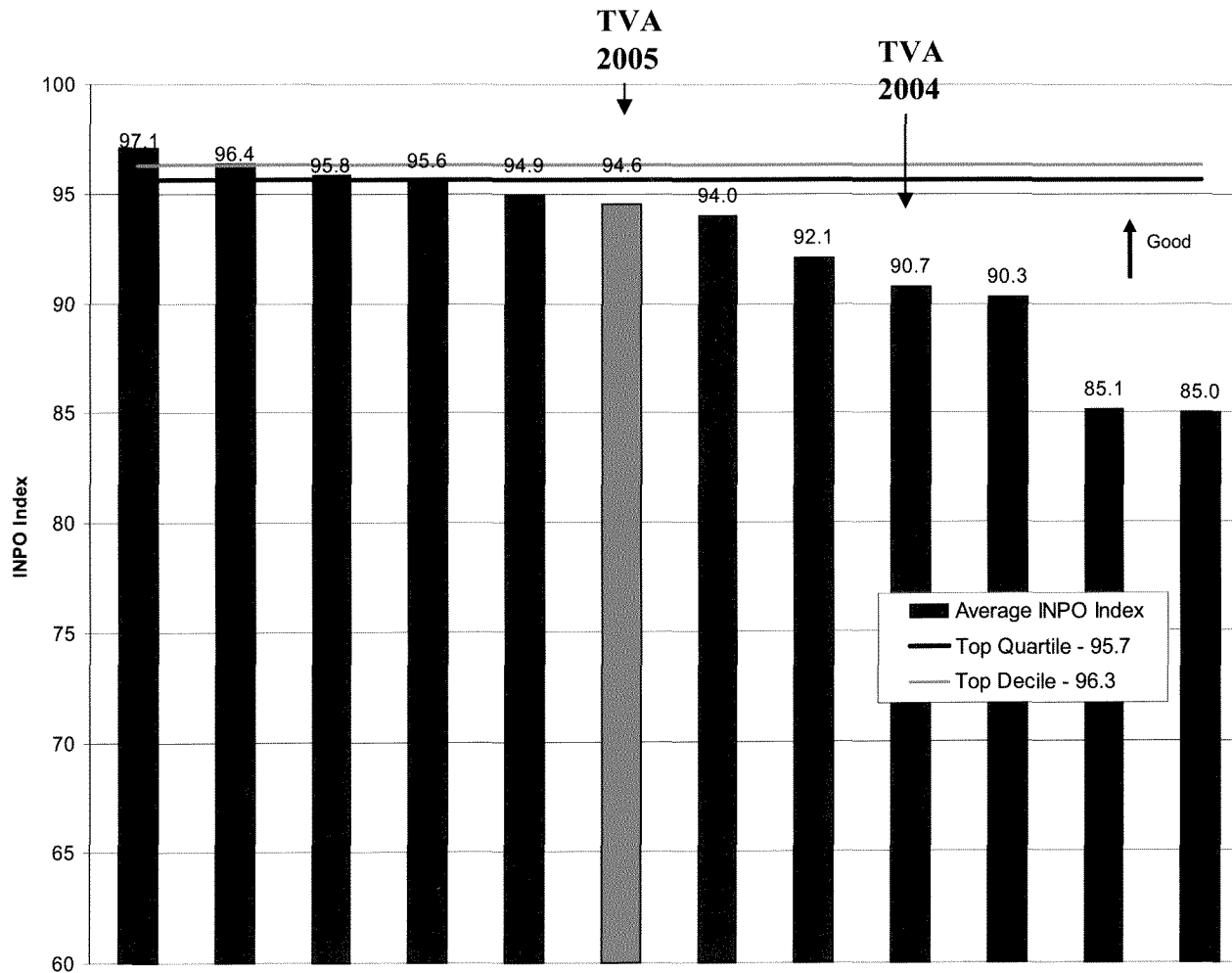


Hard Spots

- Improvements Can Be Fragile
- Unplanned Automatic Scram Rates
- Radiation Protection
- Fuel Reliability ³
- Two of Four Refueling Outages Conducted in Fiscal Year 2005 Not Performed Well

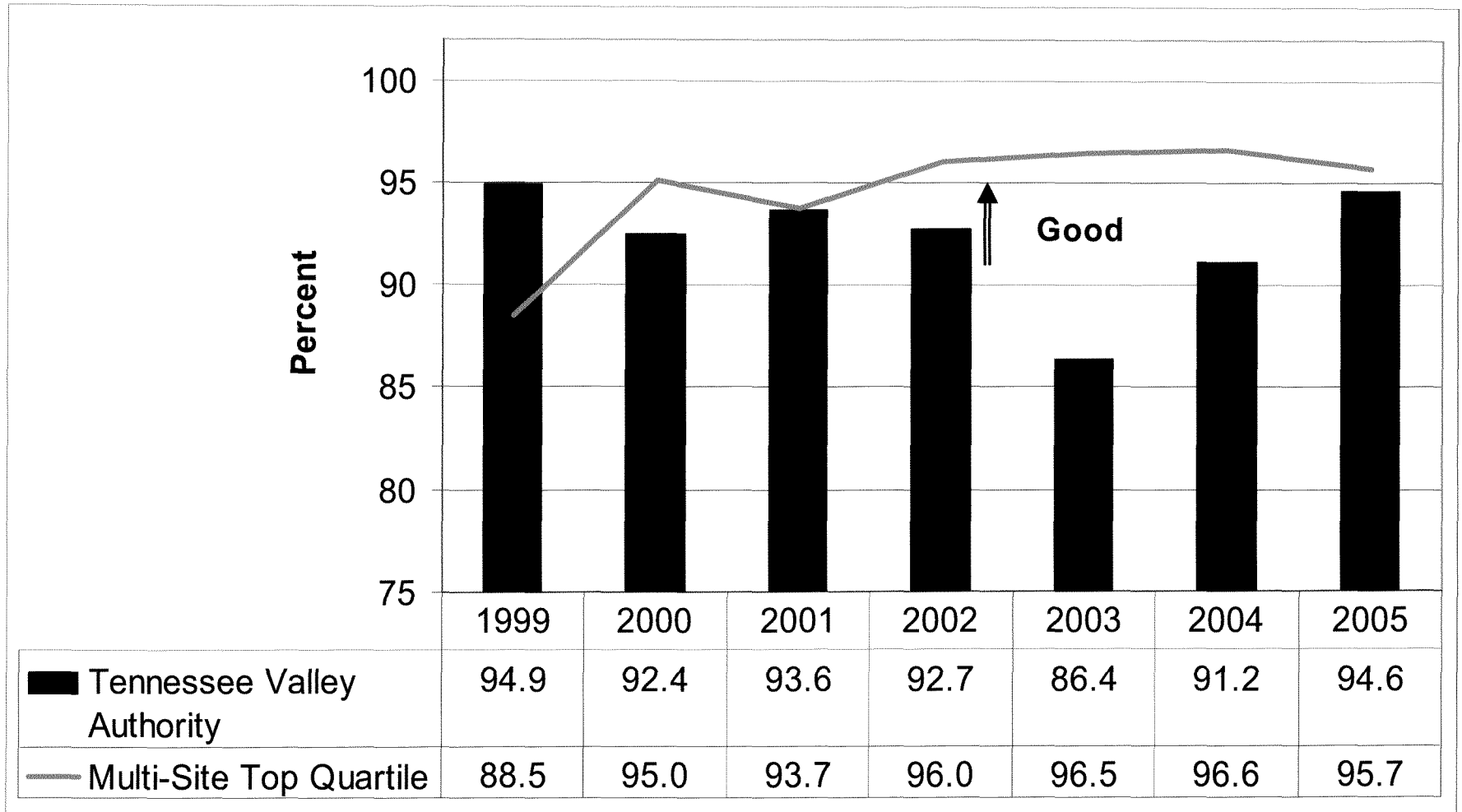


Industry Comparisons – INPO Index 2005



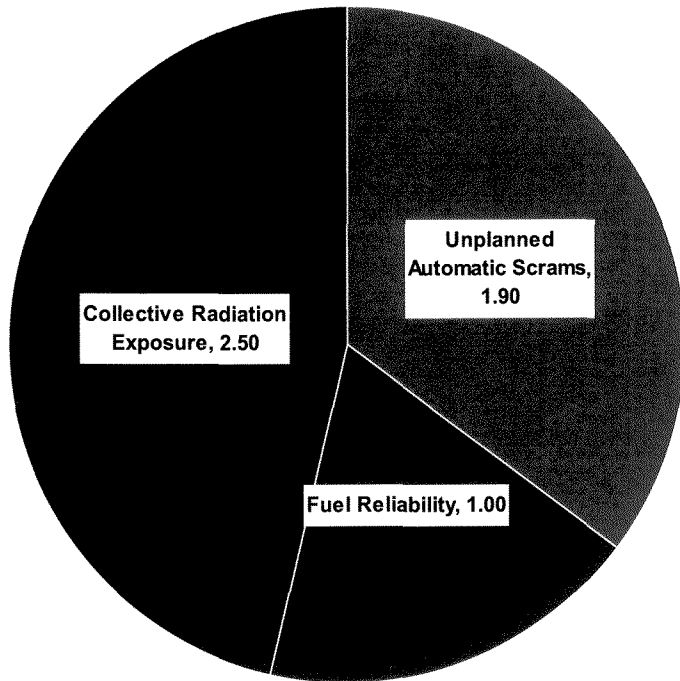


Industry Comparisons – INPO Index





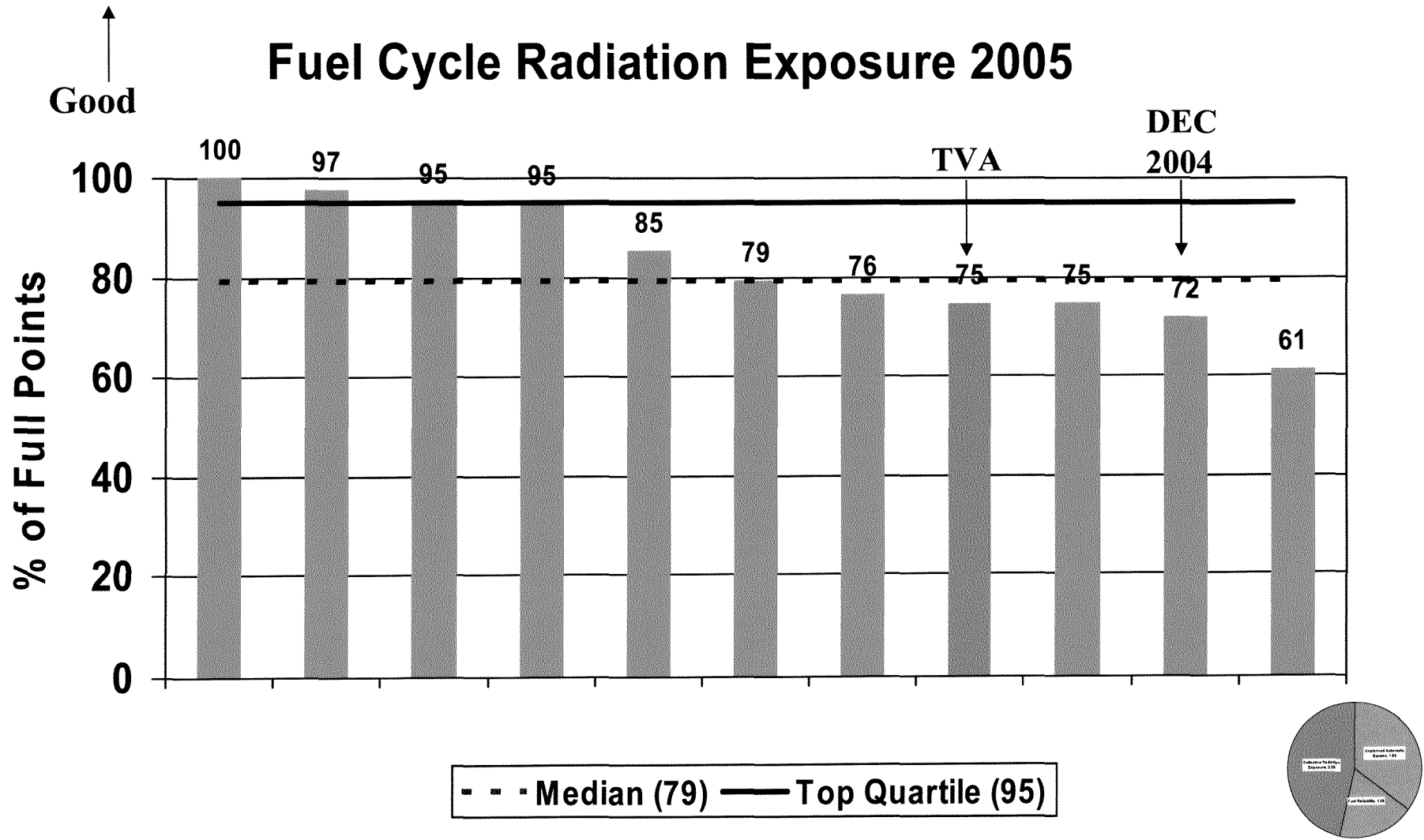
TVAN Performance FY 2005 – INPO Point Loss



Contributors to INPO Point Losses	Sep. 2004	Dec. 2005
Unit Capability Factor	2.0	0.0
Forced Loss Rate	2.1	0.0
Unplanned Automatic Scrams	0.6	1.9
High Pressure Safety Systems	0.0	0.0
Low Pressure Safety Systems	0.0	0.0
Emergency AC Power	0.0	0.0
Fuel Reliability	1.4	1.0
Chemistry Index	0.0	0.0
Collective Radiation Exposure	5.1	2.5
Total	11.2	5.4

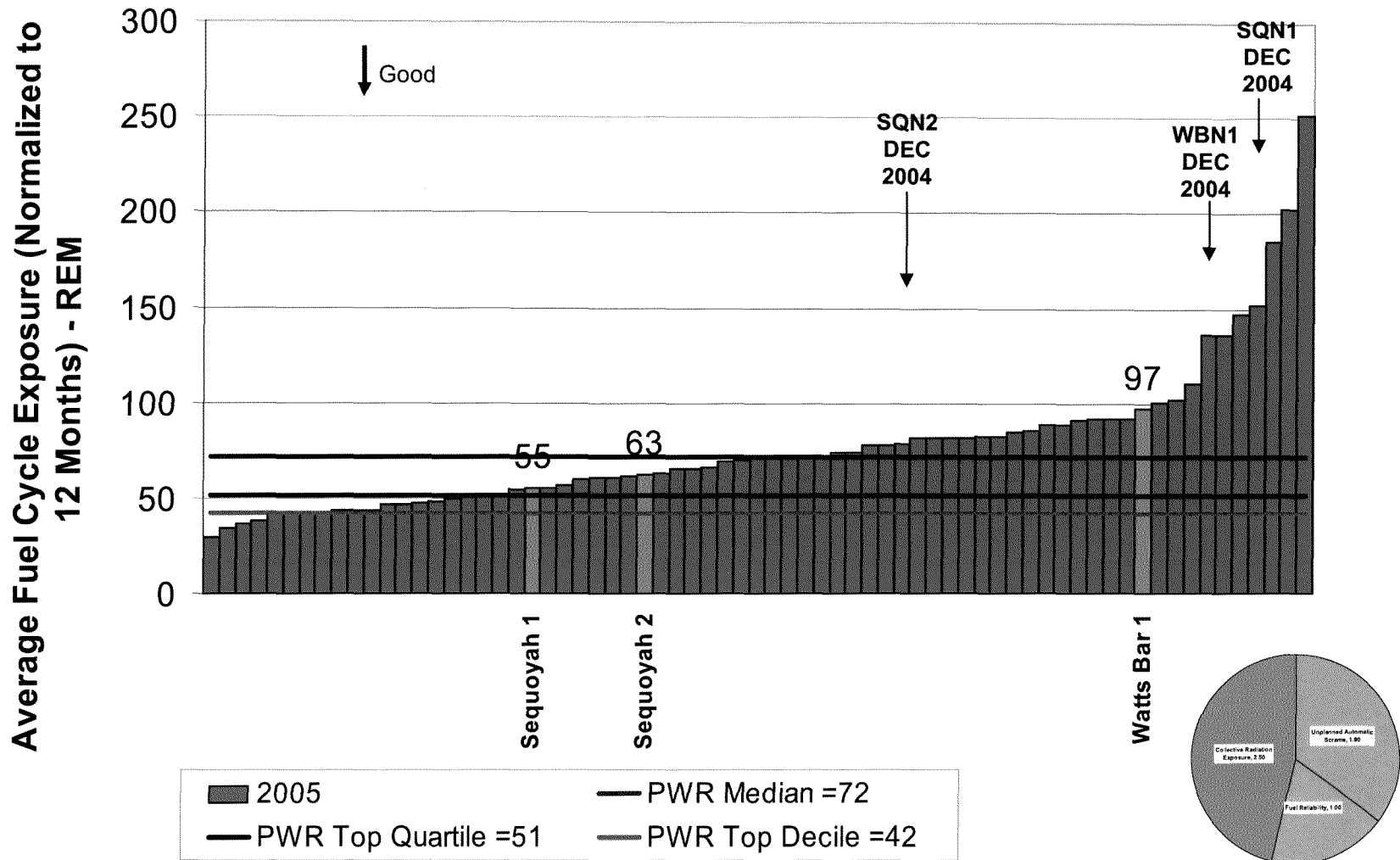


Industry Comparisons – Radiation Exposure 2005



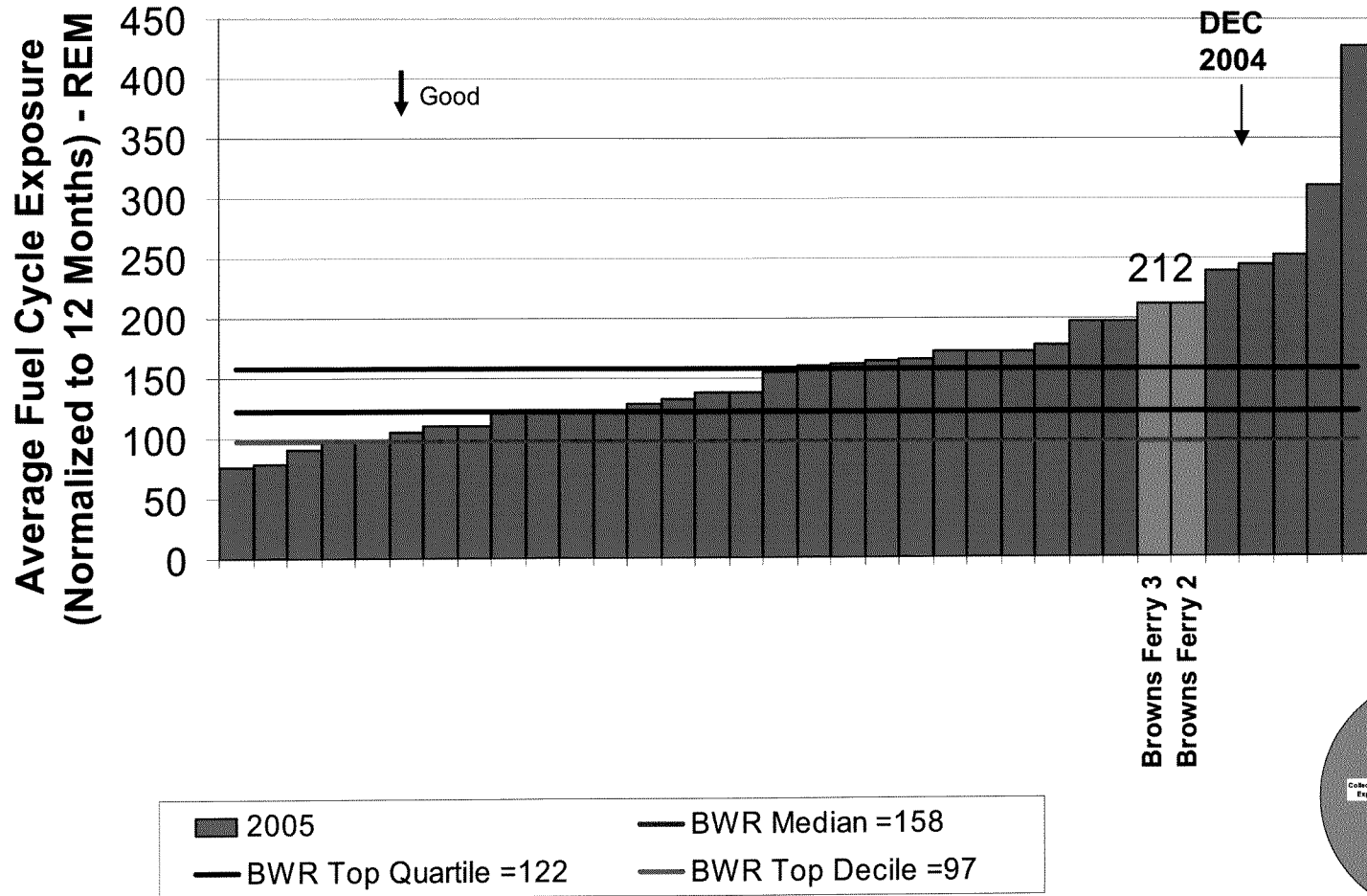


Industry Comparisons – Radiation Exposure 2005



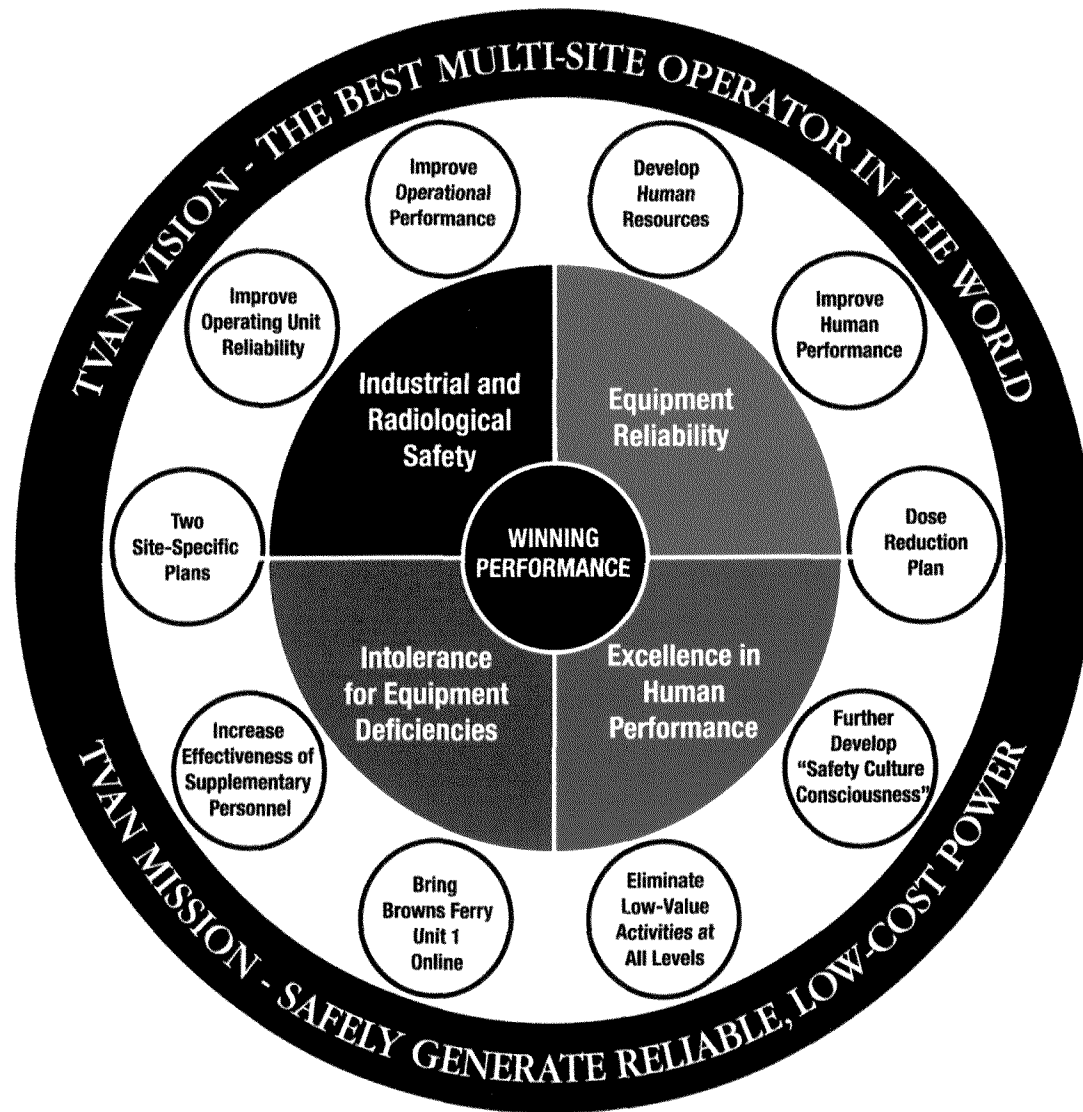


Industry Comparisons – Radiation Exposure 2005





TVA Nuclear Top Ten





Improving Safety Culture Consciousness

- Improving our Safety Consciousness is part of our Top Ten Plan
 - Plan organized commensurate with RIS 2005-18 Guidelines
 - Committed to move from conceptual to practical, observable, and measurable criteria
 - Line of sight from safety culture to overall performance
 - Established a TVAN Organization and Safety Culture Manager position reporting to the CNO
 - Elevated role of ECR Representative
- Proactive but disappointed in CHI Survey results in August 2005
- TVAN active in the Industry/NRC Safety Culture Initiative



Cultural Health Index

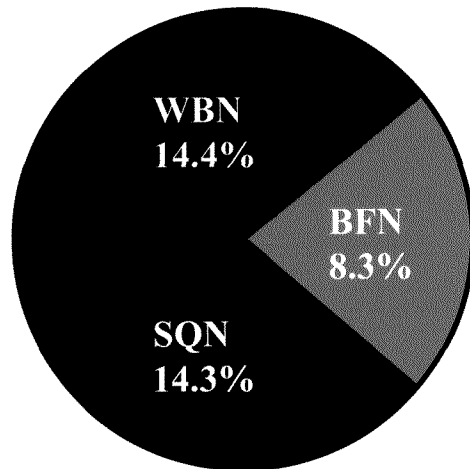
- Cultural Health Index Survey
 - Company Wide Organizational Culture Survey
 - Workforce Alignment, Capability, Engagement Insights
 - Current Survey vs. Previous Survey in 2003
 - Employee Teams Evaluated Data
 - Eight Major Areas For Improvement
 - Actions In Top Ten Plans
- Follow-up Surveys In 2006
 - First CHI Sample Survey Completed
 - Additional Planned



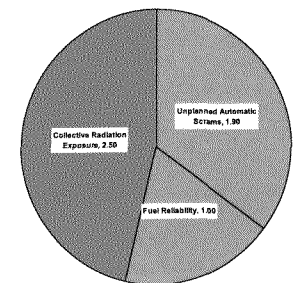
Improve Radiological and Industrial Safety

- 10.4% dose reduction improvement for the last 12 months

Dose Reduction Improvement Calendar Year 2005



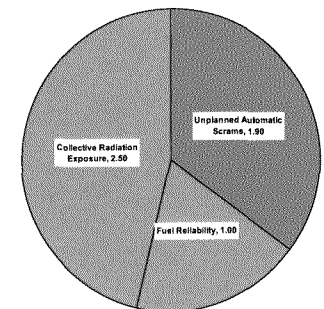
- Dose Reduction Drivers
 - Reduced Rework
 - Improved Rad Worker Awareness
 - Improved Worker Task Efficiency
 - Use of the Dynamic Learning Center
- Dose reduction initiative is working
 - Radiological work optimization
 - Work management
 - Radiation Source Control
- Top Ten Plan Modified
 - Industrial Safety
 - Supplemental personnel including contractors





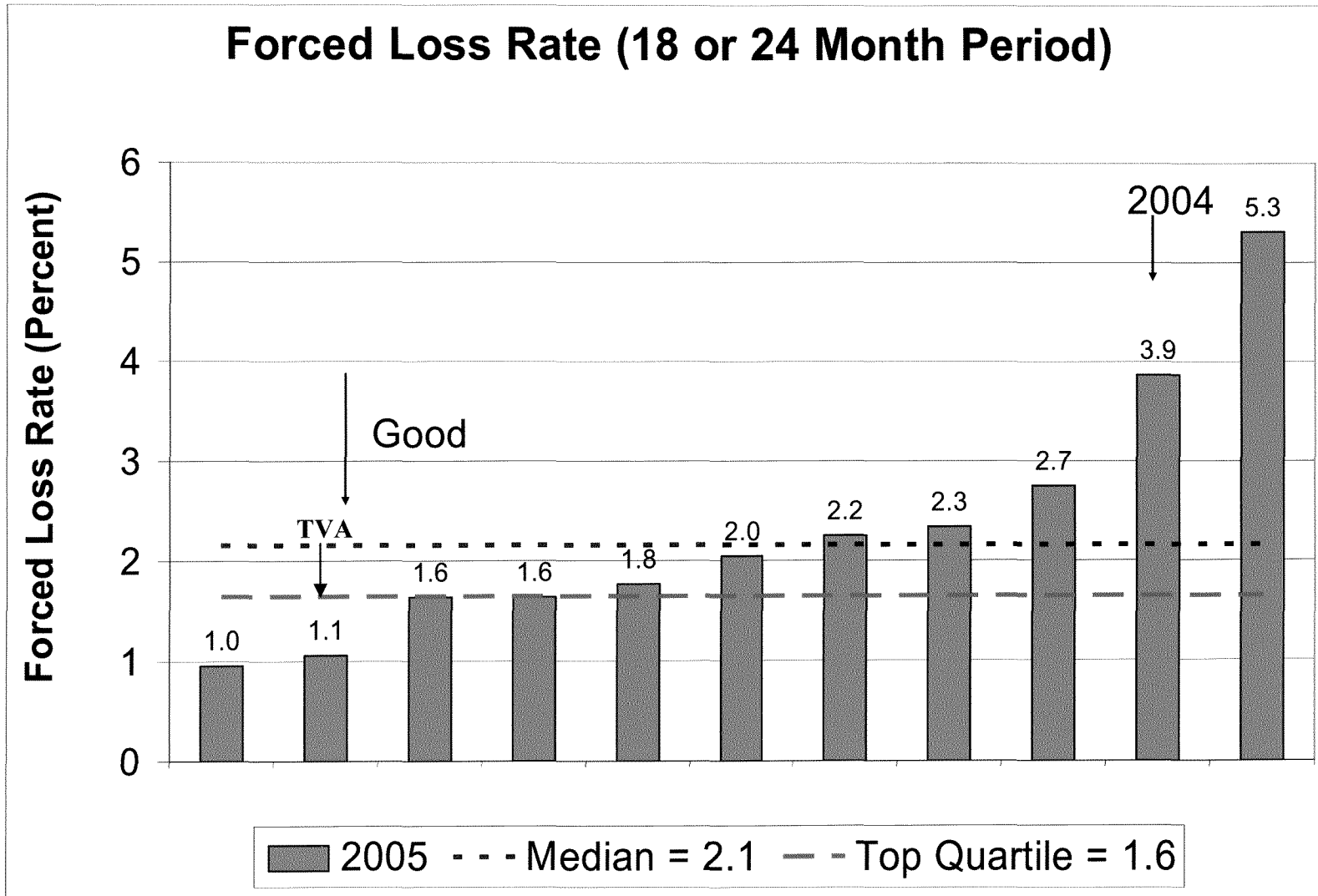
Equipment Reliability

- Equipment Reliability Improvements/ Highlights
 - Forced Loss Rate due to Equipment Reliability Improvement
 - Trip and Down Power Reduction Program
 - Nuclear Safety/Generation Risk Analysis
 - Preventive Maintenance Program Improvements
- Equipment Hardspots
 - 2 Reactor Trips As A Result Of Equipment Reliability Issues
- TVAN Top Ten Plan Highlights for 2006
 - PM Template Improvements
 - Critical Component Classification
- TVAN Commitment to Continuous Improvement
 - Increased Expenditures For Equipment Reliability Improvements
 - Metrics Used To Monitor performance





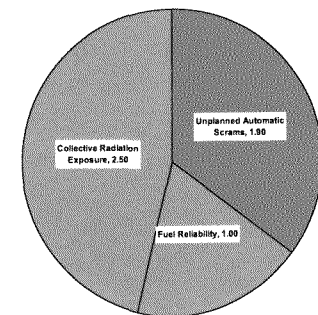
Equipment Reliability





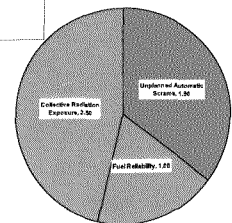
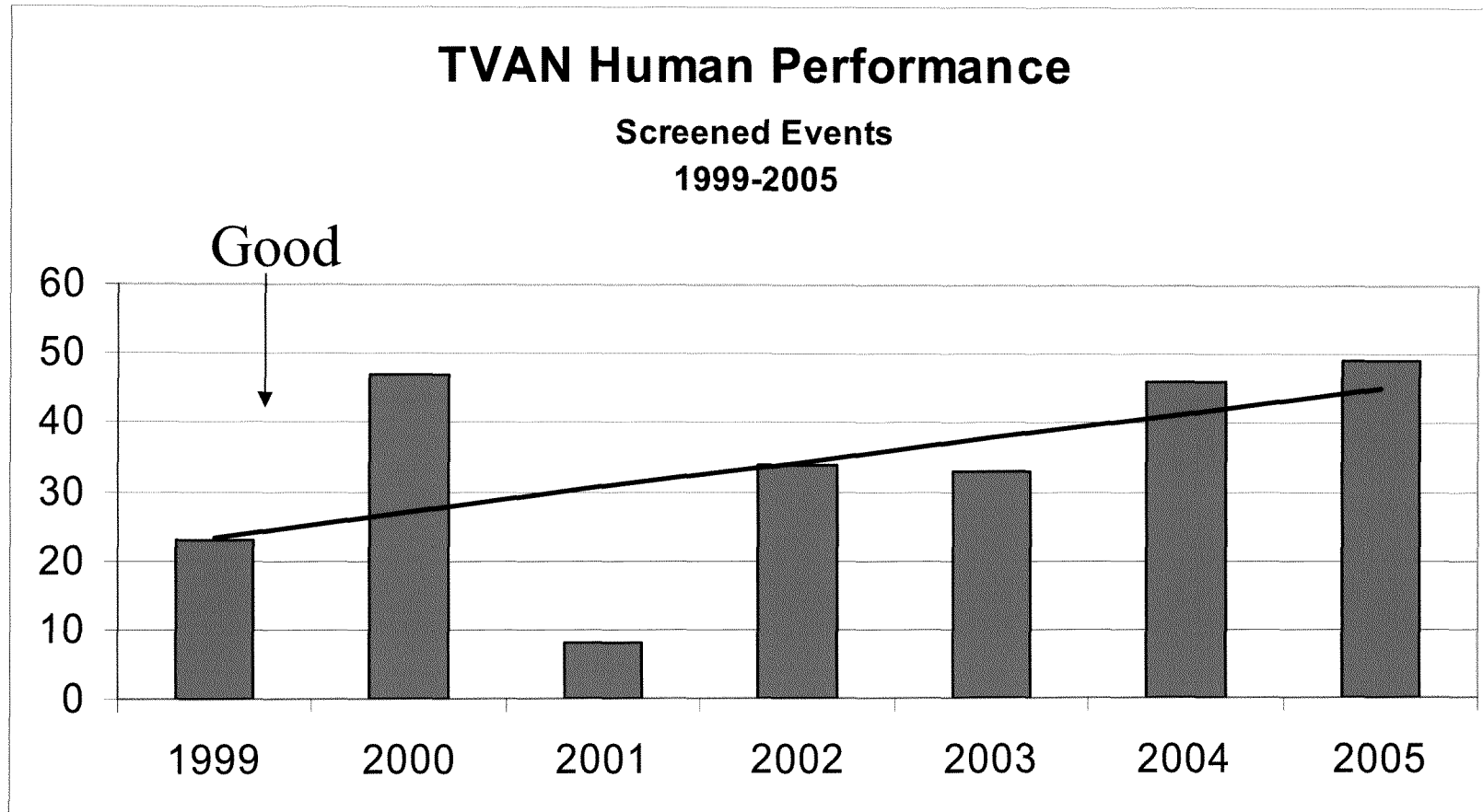
Human Performance

- Human Performance Improvements/ Successes
 - HP Training For Supplementary Personnel
 - Dynamic Learning Center Improvements
 - Resolution WBN Cross Cutting Issue
- TVAN Commitment to Continuous Improvement
 - Plant SCRAMs Resulting From Human Performance Shortfalls
 - Cultural Issues Relating To Intervention/Coaching
 - New Workforce
- TVAN Top Ten Plan Highlights for 2006
 - Focus On Worker Level Training
 - Train The Coaches
 - Operations Fundamentals
 - Cultural Changes –BBS Approach
 - Metrics Used To Monitor Performance





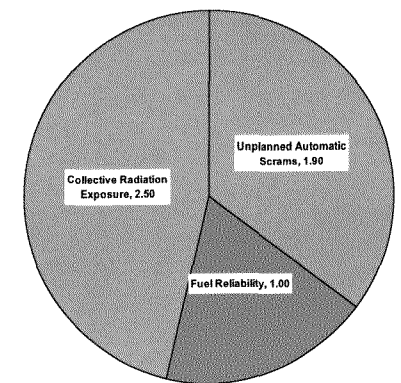
Human Performance





Fuel Reliability

- Fuel reliability remains a problem
- Leaking assemblies will be discharged this year
- Managing cores to minimize consequences
- Foreign material actions taken
- Increased fuel vendor oversight
- Refined organizational focus
- Execution of fuel reliability improvement plan





Major Projects

- **Watts Bar and Sequoyah Steam Generator Replacements**
- **Raw Water Piping Replacements at All Three Stations**
- **Browns Ferry and Sequoyah Main Bank Transformer Replacements**
- **Battery Replacements at All Three Stations**
- **Sequoyah and Watts Bar Containment Sump Mods (GL 2004-02)**
- **Browns Ferry Extended Power Uprate (EPU)**
- **Browns Ferry License Renewal**
- **Reactor Vessel Head Volumetric Inspections**
- **Pressurizer Nozzle Volumetric Inspections/Weld Overlays**



Browns Ferry Unit 1

- **On Schedule for Restart in May of 2007**
- **Project Status**
 - Total Project 78% Complete
 - Engineering 90%, Modifications 75%
 - Schedule Philosophy from Bulk Commodities to System Activities in Support of SPOC II (June/July 2006)
 - Quality Indicators Improving
 - Corrective Actions Taken Effective
 - Nuclear Performance Plan Program Status
 - License Renewal
 - Extended Power Uprate Regulatory Challenges
 - Steam Dryer Analysis
 - Containment Overpressure Allowance
 - Large Transient Testing



Browns Ferry Unit 1

- **Major Milestones Completed**
 - System Pre-Operability Checklist (SPOC)
 - Nine of 61 systems completed SPOC II
 - Reactor Pressure Vessel Fill
 - Suppression Pool Fill
 - Completed Internal Vessel Visual Inspection (IVVI)
 - Completed Control Rod Drive / Control Rod Blade Replacement

- **Major Milestones for 2006**
 - Drywell Piping/Supports Completed - January 2006
 - All System Plant Acceptance Evaluations (SPAЕ) Completed - February 2006
 - 40 System Pre-Operability Checklist II (SPOC II) Completion
 - New Fuel Receipt



BFN Unit 1 Restart

- Organization To Support Three Unit Operation
- Three Unit Operation
 - All Three Units Operationally The Same
 - Site Staffing Plan
- Oversight
 - Operational Readiness Program
 - INPO
 - Nuclear Assurance
 - Nuclear Safety Review Board
 - Nuclear Safety Oversight Committee



Oversight Effectiveness

Nuclear Assurance Stronger and More Effective

- Improved Credibility
 - High-Quality Rotational Personnel
 - Line Management Seeking Help

- Filled 13 Positions
 - Nine Full-Time And Four Rotational

- Improved Issue Reporting
 - Acceptance And Resolution Of Issues

- Improved Issue Identification



Summary

- **Nuclear Assurance Is Stronger and More Effective**
- **BFN U1 Recovery On-track**
- **Top Ten Plans Are Effective**