



NEWS RELEASE

TVA Board Approves Browns Ferry Unit 1 Recovery, Extended Operation

HUNTSVILLE, Ala. – Calling it the best business decision to meet long-term power needs in the Tennessee Valley, the TVA Board today approved a staff recommendation to return Unit 1 at Browns Ferry Nuclear Plant to service.

The three-member Board authorized TVA Nuclear staff to ask the Nuclear Regulatory Commission for a 20-year extension of the operating licenses for all three reactors at the North Alabama plant and to begin work to recover Unit 1.

“Returning Browns Ferry 1 to service is the best business decision for TVA and its customers in terms of power supply, cost, generation mix, delivered cost of power and the environment,” said TVA Chairman Glenn McCullough Jr. “This decision advances our National Energy Policy, which calls for the safe expansion of nuclear energy, and it meets our objective of providing affordable, reliable power to the people of the Tennessee Valley.”

TVA Chief Operating Officer O. J. “Ike” Zeringue recommended the Board action, citing a detailed engineering estimate presented to the Board in March, the power supply forecast, the environmental review, and a financial analysis.

The detailed engineering and planning estimate shows the unit can be returned to safe operation in a well-controlled recovery effort, and the power is needed, according to Zeringue. He said the environmental review found no significant, adverse impacts, and recent financial analyses show that returning Browns Ferry Unit 1 to operation will reduce TVA’s delivered cost of power relative to the market.

“We must balance the responsibility to provide power to meet future needs with our objectives of protecting the environment and continuing the trend

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of debt reduction," said TVA Director Skila Harris. "Restarting Unit 1 will provide needed generating capacity without increasing air emissions, and the financial analysis shows that we can undertake this project while continuing the trend of debt reduction."

The Unit 1 recovery project will cost from \$1.7 billion to \$1.8 billion and will take five years to complete. TVA's financial staff determined that TVA can finance the cost of recovery and continue the trend of debt reduction, but at a slower pace until the unit resumes operation.

When Unit 1 returns to service, additional generation would help lower the average cost of power and provide additional cash flow for accelerated debt reduction. The unit is expected to pay for itself after eight years of operation.

"I believe this is a wise business decision for TVA," said TVA Director Bill Baxter. "This investment will pay dividends for the families, businesses and industry of the Valley in the forms of low cost power, cleaner air and economic growth. And further, this investment will strengthen TVA financially in the mid to long term."

The two reactors currently in operation at Browns Ferry have been recognized in the industry for power generation, reliability, and efficiency, and recent NRC evaluations show a strong safety record.

TVA is the nation's largest public power producer, and its power system is self-financed. TVA provides power to large industries and 158 power distributors that serve 8.3 million consumers in seven southeastern states.

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