

February 5, 2009

Dear Waterfront Property Owner,

At TVA, we continue to work as safely and diligently as possible to clean up from the Kingston ash spill and want to thank you once again for the patience and courtesy you have shown our people.

As you know in the wake of the spill, TVA took immediate steps to minimize the ash from flowing downstream by constructing a temporary underwater weir in the river. As a consequence of this and the ash in the river, there is an increased risk of flooding for some waterfront properties. The likelihood of a large flood is slight before the ash removal process in the Emory River is complete, but we want to make you aware that there is an increased risk. These properties are located from the Kingston Plant to approximately 11 miles upstream through Harriman.

For this reason, TVA is contacting homeowners in the potentially affected areas to assure you that if a flood were to occur, TVA will be financially responsible for flood damage to your homes that would not have occurred under normal conditions, in the absence of the ash in the river and the temporary weir.

After our preliminary examination, your property may be among the approximately 100 properties that are potentially within the post-spill, 100-year floodplain. For any property located within the 100-year floodplain, there is a 1 percent (1 in 100) chance that this flood level would be reached or exceeded in any given year. Every property owner in this group is being directly contacted to inform them of the situation.

In the early aftermath of the spill, our first priority was to contain the ash in order to minimize it from moving downstream into the Clinch and Tennessee Rivers. TVA was aware that the combination of the ash in the river and the temporary weir was likely to alter the upstream flood elevations. We determined that the need for an immediate response to the spill was necessary to contain the ash, and the increased risk that might result from a change in the upstream elevations was a choice that needed to be made under the circumstances.

Data has been collected by the U.S. Army Corps of Engineers to develop post-spill flood profiles. From this, we estimated changes in the flood elevations in order to identify and contact potentially affected property owners.

Within the next several weeks, surveyors will be coming to your door and we would appreciate your cooperation. Their role is to perform home floor elevation surveys so we have specific information we would need in the unlikely event of a flood.

It is important to note that the change in flood elevation is only temporary until TVA removes the ash and underwater weir from the river. On Thursday, February 5, TVA presented Phase I of an ash recovery plan to officials with the Tennessee Department of Environment and Conservation, the Environmental Protection Agency and the U.S. Army Corps of Engineers. These agencies will grant final approval on the plan, and once we receive their approval on the Phase I Plan, we anticipate being able to begin removing the ash from the Emory River channel within about six weeks.

Once the ash and the underwater weir are removed, the Emory River will be returned to pre-spill conditions. Flood elevations will return to levels established before the spill, and TVA's financial responsibility related to flood damages will also end at this time. We will keep you informed of our progress through the many stages of ash removal and site restoration.

If you have more questions or concerns, or need additional information on the increased flood risk, please contact TVA River Operations at 865-632-6115. You may also call the TVA Outreach Center at (865) 632-1700, or visit the center at 509 North Kentucky Street in Kingston.

Sincerely,

Peyton T. Hairston, Jr.