



NEWS RELEASE

TVA Reports Third Quarter Fiscal Year 2021 Financial Results

KNOXVILLE, Tenn. — The Tennessee Valley Authority reported \$7.4 billion in total operating revenues on 113.6 billion kilowatt-hours of electricity sales for the nine months ended June 30, 2021. Sales of electricity were 5% higher for the nine months ended June 30, 2021, than the same period in the prior year primarily due to lower energy sales for the nine months ended June 30, 2020, associated with the COVID-19 pandemic.

Total operating revenues increased 1% over the same period of the prior year as a result of higher energy sales, offset by lower effective base rates mainly due to the Pandemic Relief Credit that began in 2021, and totaled \$156 million in the nine months ended June 30, 2021.

“TVA continues to serve our communities as they recover from the pandemic and as businesses and industries ramp production back up,” said Jeff Lyash, TVA president and CEO. “Through systematic planning and investment in our system, we are meeting strong summer power demand with 99.999 percent reliability and delivering some of the nation’s cleanest, most economical energy.”

TVA’s year-to-date net income was \$257 million higher due mainly to lower depreciation and amortization expense, which was \$286 million lower for the nine months ended June 30, 2021, than the same period in the prior year, due to accelerated retirements of coal-fired facilities. TVA’s tax equivalents expense was \$17 million lower for the nine months ended June 30, 2021, mainly due to a decrease in TVA’s revenue from sales of electricity in 2020, which is TVA’s basis for calculating tax equivalents.

Interest expense was \$824 million for the nine months of fiscal year 2021, which is a 4% decrease from the same period of the prior year, driven by lower average debt balances.

“TVA’s effective wholesale power rate to customers remains lower than a decade ago,” said John Thomas, TVA’s chief financial officer. “Our investments in cleaner and more efficient energy resources, cost reductions and lower debt are helping TVA support the region’s recovery now, and contributing to TVA’s sustainability for the future.”

Additional highlights from TVA's third quarter fiscal year 2021 include:

- As of Aug. 2, 2021, 143 local power companies have long-term partnerships with TVA, including the recent addition of Cullman Electric Cooperative. Bill credits to partners totaled \$133 million for the nine months ended June 30, 2021.
- TVA continues to offer the Back-to-Business credit program that provides relief to certain larger customers when returning to operations and the Community Care Fund that partners TVA and LPCs to support local initiatives that address hardships created by the COVID-19 pandemic. TVA remains committed to supporting communities and customers across the Tennessee Valley during the region's ongoing recovery.
- TVA continued to maintain 99.999 percent reliability in delivering energy to its customers through June 30, 2021. TVA has maintained 99.999 percent reliability for more than 20 consecutive years, providing industry-leading reliability.
- Rainfall and runoff in the Tennessee Valley through the third quarter of 2021 were 110% and 113% of normal, respectively.
- TVA's economic development efforts, combined with our reliability and low costs, continue to attract and encourage the expansion of business and industries in the Tennessee Valley, with over \$7.8 billion in investments and more than 65,300 jobs created or retained through the third quarter of 2021.

Selected Financial Data – Nine Months Ended June 30		
Sales, Revenues & Expenses	2021	2020
Sales (millions of kWh)	113,606	108,396
Operating Revenues (\$ millions)	\$ 7,403	\$ 7,350
Fuel & Purchased Power Expense	1,892	1,844
Operating & Maintenance Expense	2,106	2,014
Interest Expense	824	859
Net Income	\$ 909	\$ 652
Net Cash Provided by / (Used in) (\$ millions)		
Operating Activities	\$ 2,227	\$ 2,496
Investing Activities	(1,698)	(1,467)
Financing Activities	(531)	(528)

TVA executive management will host a conference call to discuss third quarter fiscal year 2021 results at 9:30 a.m. ET, on Tuesday, Aug. 3. The event will be conducted as a webcast and as a dial-in teleconference. Participants will be able to hear the discussion and see slides via webcast, but will need telephone access to ask questions. Pre-registration for the conference call is required. Please click [here](#) to pre-register. Once pre-registered, the dial-in number will be provided via an email. If you are unable to pre-register, you may access the conference call by dialing toll free 844-308-6432 in the United States, or 412-717-9611 outside the United States.

A replay will be available one hour after the end of the conference call until 9:30 a.m. ET, Sept. 3, by calling toll free 877-344-7529 in the United States or 412-317-0088 outside the United States and using the conference number 10156723. A webcast replay and transcript will also be available for one year on TVA's website at <http://www.tva.com/investors>.

TVA's quarterly report on Form 10-Q provides additional financial, operational, and descriptive information, including unaudited financial statements for the quarter ended June 30, 2021. TVA's quarterly report and other SEC reports are available without charge on TVA's website at <http://www.tva.com/investors>, on the SEC's website at <http://www.sec.gov>, or by calling TVA toll free at 888-882-4975.

This release may contain forward-looking statements relating to future events and future performance. Although TVA believes that the assumptions underlying these statements are reasonable, numerous factors could cause actual results to differ materially from those in the forward-looking statements. Please refer to TVA's most recent annual report on Form 10-K and quarterly report on Form 10-Q for a discussion of factors that could cause actual results to differ from those in the forward-looking statements.

The Tennessee Valley Authority is a corporate agency of the United States that provides electricity for business customers and local power companies serving nearly 10 million people in parts of seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation and land management for the Tennessee River system, and assists local power companies and state and local governments with economic development and job creation.

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