

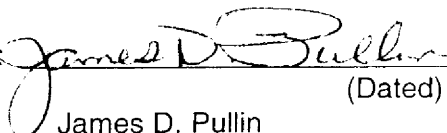
Memorandum of Understanding
Between
Tennessee Valley Authority
and the
Trades and Labor Council for Annual Employees of the Tennessee Valley Authority
Regarding
**Travel Reimbursement for TVA Nuclear Employees During Assignment to Work
Outages Away From Official Station**

Tennessee Valley Authority (TVA) and the Trades and Labor Council for Annual Employees of the Tennessee Valley Authority (Council) agree that a TVA Nuclear employee assigned to work an outage away from his or her official station may choose, with the approval of his or her supervisor, to be reimbursed for official travel under the terms and conditions of the Chief Operating Officer (COO) Travel Program, provided that the flat rate currently in effect shall not be reduced without the concurrence of the Council. The employee's choice, once approved, shall remain in effect for the duration of the assignment.

This Memorandum of Understanding will become effective on the date it is signed, and will remain in effect until either TVA or the Council gives the other party written notice of cancellation at least 30 days in advance of the effective cancellation date. In the event of such cancellation, travel reimbursement for TVA Nuclear employees covered by the COO Travel Program during assignments to work outages away from their official stations would be handled in accordance with the Standard Per Diem Rate in the TVA Expense Reimbursement System.

By:  4/17/01
(Dated)

Peyton T. Hairston, Jr.
Senior Vice President
Labor Relations
Tennessee Valley Authority

By:  4-17-01
(Dated)

James D. Pullin
Administrator
Trades and Labor Council for
Annual Employees
of the Tennessee Valley Authority

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