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EXTENDED

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2011

Open to Public
Inspection

► The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2011 calendar year, or tax year beginning and ending

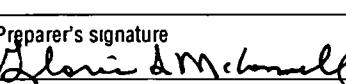
| | | | |
|--|--|------------|--|
| B Check if applicable: | C Name of organization | | D Employer identification number |
| <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | TENNESSEE VALLEY PUBLIC POWER ASSOC. INC Doing Business As | | 62-0468356 |
| | Number and street (or P O box if mail is not delivered to street address) | Room/suite | E Telephone number (423) 756-6511 |
| | P. O. BOX 6189 | | G Gross receipts \$ 5,637,905. |
| | City or town, state or country, and ZIP + 4 CHATTANOOGA, TN 37401-6189 | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | F Name and address of principal officer: JACKIE W. SIMMONS P. O. BOX 6189, CHATTANOOGA, TN 37401-6189 | | H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) |
| I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(6) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | H(c) Group exemption number ► |
| J Website: ► TVPPA.COM | | | |
| K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ► | | | L Year of formation: 1950 M State of legal domicile TN |

Part I Summary

| | | | |
|--|--|-------------------------|-----------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: REPRESENT MEMBER INTERESTS, PROMOTE EFFICIENCY AND PROFESSIONAL DEVELOPMENT FOR EMPLOYEES | | |
| | 2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 20 | |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 20 | |
| | 5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) | 5 21 | |
| | 6 Total number of volunteers (estimate if necessary) | 6 0 | |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a 1,541,750. | |
| b Net unrelated business taxable income from Form 990-T, line 34 | 7b <109,297.> | | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 0. | Current Year 0. |
| | 9 Program service revenue (Part VIII, line 2g) | 4,877,696. | 4,936,811. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 17,577. | 29,377. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 1,229,643. | 459,879. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 6,124,916. | 5,426,067. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 0. | 0. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0. | 0. |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 2,532,447. | 2,338,294. |
| | 16a Professional fundraising fees (Part IX, column (A), line 16) | 0. | 0. |
| | b Total fundraising expenses (Part IX, column (D), line 25) | 0. | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11g, 11-20e) 2012 | 3,007,863. | 3,252,772. |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 5,540,310. | 5,591,066. |
| 19 Revenue less expenses. Subtract line 18 from line 12 | 584,606. | <164,999.> | |
| Net Assets or Fund Balances | Beginning of Current Year 17,733,266. | End of Year 17,428,980. | |
| | 17,733,266. | 17,428,980. | |
| | 1,707,628. | 1,686,928. | |
| | 16,025,638. | 15,742,052. | |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

| | | |
|-------------------------------|---|---|
| Sign Here | Signature of officer  | Date 7/27/2012 |
| | JACKIE W. SIMMONS, PRESIDENT / CHIEF EXECUTIVE OFFICER | |
| | Print/Type preparer's name GLORIA S. MCCONNELL | Preparer's signature  |
| Paid Preparer Use Only | Date 7/25/12 | Check <input type="checkbox"/> if self-employed |
| | | PTIN P00109539 |
| | Firm's name NEAL, SCOUTEN & MCCONNELL, P.C. | Firm's EIN 62-1646291 |
| | Firm's address SUITE 1440 REPUBLIC CENTRE CHATTANOOGA, TN 37450-1440 | Phone no (423) 267-4400 |

May the IRS discuss this return with the preparer shown above? (see instructions)

Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:

THE PURPOSES OF THE ASSOCIATION ARE TO REPRESENT COMMON INTERESTS OF ITS MEMBERS TO TVA, TO PROMOTE COMMON INTERESTS AND EFFICIENCY OF MEMBERS AND TO PROMOTE PROFESSIONAL DEVELOPMENT OF MEMBER EMPLOYEES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

 Yes X No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

 Yes X No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code _____) (Expenses \$ _____) (including grants of \$ _____) (Revenue \$ _____)

THE NATURE OF THE ORGANIZATION AND ITS ACCOUNTING AND BUDGETING SYSTEMS DO NOT CLEARLY REFLECT OR DELINEATE BY EXPENSES THE ASSOCIATION'S PROGRAM SERVICES. VARIOUS MEMBERS OF THE ASSOCIATION'S MANAGEMENT AND STAFF HAVE MULTIPLE RESPONSIBILITIES THAT ARE DIVIDED AMONG VARIOUS PROGRAM SERVICES, BUT FOR WHICH NO DETAILED ACCOUNTING IS MAINTAINED NOR ALLOCATIONS ESTABLISHED WITH THE EXCEPTION OF SOME SERVICES PROVIDED TO MANAGE RELATED ENTITIES FOR ALLOCATION OF COSTS AND EXPENSES JUST FOR THOSE ENTITIES. WITH THAT UNDERSTANDING THE PRINCIPAL, OR PRIMARY, PROGRAM SERVICE HAS BEEN TO PROVIDE THROUGH BOTH TVPPA STAFF PERSONNEL AND VOLUNTEER EFFORTS OF MUNICIPAL AND COOPERATIVE ELECTRIC SYSTEM MANAGERS WITH TVPPA STAFF SUPPORT THE FOLLOWING: CONSULTATION, ADVICE, AND REPRESENTATION THROUGH EXPERT

4b (Code _____) (Expenses \$ _____) (including grants of \$ _____) (Revenue \$ _____)

A SECOND MAJOR ORGANIZATION MEMBER PROGRAM IS THE OFFERING OF EDUCATIONAL AND PROFESSIONAL DEVELOPMENT, TRAINING AND INSTRUCTION TO ADVANCE THE PROFESSIONAL DEVELOPMENT OF EMPLOYEES OF THE ASSOCIATION'S MEMBERS AND OTHERS IN THE INDUSTRY WHOSE OCCUPATIONAL RESPONSIBILITIES ARE IN DISCIPLINES SUCH AS ENGINEERING, OPERATIONS, FINANCE, ACCOUNTING, HUMAN RESOURCES AND MANAGEMENT SERVICES.

4c (Code _____) (Expenses \$ _____) (including grants of \$ _____) (Revenue \$ _____)

A THIRD AREA OF THE ASSOCIATION'S PRIMARY ACTIVITIES IS THE COMMUNICATIONS IN BOTH WRITTEN AND ELECTRONIC FORM, AS WELL AS IN THE MEDIA, WITH ITS MEMBERS AND THEIR KEY STAFF, PUBLIC OFFICIALS, POLICYMAKERS AND THE PUBLIC GENERALLY WITH REGARD TO THE ACTIVITIES OF MUNICIPAL COOPERATIVE ELECTRIC SYSTEMS IN THE TVA REGION, DEVELOPMENT OF NATIONAL INTEREST AFFECTING THE OPERATIONS OF MUNICIPAL AND COOPERATIVE NONPROFIT ELECTRIC SYSTEMS, TECHNICAL ADVANCES AS WELL AS PUBLIC POLICY DEVELOPMENTS AFFECTING THE ELECTRIC ENERGY INDUSTRY, PARTICULARLY IN THE TVA REGION.

4d Other program services (Describe in Schedule O.)

(Expenses \$ _____) (including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ►

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?
If "Yes," complete Schedule A

2 Is the organization required to complete *Schedule B, Schedule of Contributors*?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*

9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*

11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.

- a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*
- b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*
- c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*
- d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*
- e Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*
- f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*

12a Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*

- b Was the organization included in consolidated, independent audited financial statements for the tax year?
If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*

14a Did the organization maintain an office, employees, or agents outside of the United States?

- b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*

20a Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*

- b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

| | Yes | No |
|-----|-----|----|
| 1 | | X |
| 2 | | X |
| 3 | | X |
| 4 | | |
| 5 | X | |
| 6 | | X |
| 7 | | X |
| 8 | | X |
| 9 | | X |
| 10 | | X |
| 11a | X | |
| 11b | X | |
| 11c | | X |
| 11d | | X |
| 11e | X | |
| 11f | | X |
| 12a | X | |
| 12b | | X |
| 13 | | X |
| 14a | | X |
| 14b | | X |
| 15 | | X |
| 16 | | X |
| 17 | | X |
| 18 | | X |
| 19 | | X |
| 20a | | X |
| 20b | | |

Part IV Checklist of Required Schedules (continued)

| | | Yes | No |
|-----|---|-----|----|
| 21 | Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II | 21 | X |
| 22 | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | 22 | X |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | 23 | X |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25 | 24a | X |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | |
| c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | |
| 25a | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I | 25a | |
| b | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | 25b | |
| 26 | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II | 26 | X |
| 27 | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III | 27 | X |
| 28 | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a | A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | 28a | X |
| b | A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | 28b | X |
| c | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV | 28c | X |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | 29 | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | 30 | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | 31 | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | 32 | X |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | 33 | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 | 34 | X |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | X |
| b | Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 | 35b | X |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | 36 | |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | 37 | X |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O | 38 | X |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

| | | Yes | No |
|-----|--|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | 1a | 39 |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 1b | 0 |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 2a | 21 |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</i> | 2b | X |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | X |
| b | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O | 3b | X |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | X |
| b | If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | 5a | X |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5b | X |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5c | |
| c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | 6a | X |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? | 6b | |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 7a | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | 7b | |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7c | |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7d | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7e | |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7f | |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7g | |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7h | |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 8 | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 9a | |
| 8 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | 9b | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| a | Did the organization make any taxable distributions under section 4966? | | |
| b | Did the organization make a distribution to a donor, donor advisor, or related person? | | |
| 10 | Section 501(c)(7) organizations. Enter: | 10a | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10b | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | | |
| 11 | Section 501(c)(12) organizations. Enter: | 11a | |
| a | Gross income from members or shareholders | 11b | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | 13a | |
| a | Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O.</i> | 13b | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13c | |
| c | Enter the amount of reserves on hand | | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | 14a | X |
| b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | 14b | |

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year
 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O

1b Enter the number of voting members included in line 1a, above, who are independent

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization's assets?

6 Did the organization have members or stockholders?

7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

b Each committee with authority to act on behalf of the governing body?

9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

| | Yes | No |
|----|-----|----|
| 1a | | 20 |
| 1b | | 20 |
| 2 | | X |
| 3 | | X |
| 4 | | X |
| 5 | | X |
| 6 | X | |
| 7a | X | |
| 7b | X | |
| 8a | X | |
| 8b | X | |
| 9 | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

10a Did the organization have local chapters, branches, or affiliates?

b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?

11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?

b Describe in Schedule O the process, if any, used by the organization to review this Form 990.

12a Did the organization have a written conflict of interest policy? If "No," go to line 13

b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done

13 Did the organization have a written whistleblower policy?

14 Did the organization have a written document retention and destruction policy?

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official

b Other officers or key employees of the organization

If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?

b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

| | Yes | No |
|-----|-----|----|
| 10a | | X |
| 10b | | |
| 11a | X | |
| 12a | X | |
| 12b | X | |
| 12c | X | |
| 13 | X | |
| 14 | | X |
| 15a | X | |
| 15b | X | |
| 16a | | X |
| 16b | | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **JOHN COOKE - (423) 756-6511**
1206 BROAD STREET, CHATTANOOGA, TN 37402

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
 Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter 0 in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

 Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and Title | (B) Average hours per week (describe hours for related organizations in Schedule O) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|--|-----------------------|---------|--------------|---------------------------------|---|---|--|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | | | |
| (1) RODY BLEVINS DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (2) RODNEY BOYD DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (3) R. MICHAEL BROWDER DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (4) FARON L. COLLINS DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (5) JERRY COLLINS DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (6) DAVE CROSS DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (7) GARY DILLARD DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (8) GREG GRISSOM DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (9) ROBERT MATHENY DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (10) RICHARD MORRISSEY DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (11) ERIC NEWBERRY DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (12) LYNN ROBBINS DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. |
| (13) DAN RODAMAKER DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. |
| (14) MIKE SIMPSON DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (15) TONY THOMPSON DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (16) HAL WOMBLE DIRECTOR | 0.80 | X | | | | | 0. | 0. | 0. |
| (17) JACKIE W. SIMMONS PRESIDENT/CEO | 50.00 | | X | | | | 311,883. | 0. | 39,428. |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (describe hours for related organizations in Schedule O) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|---------------------------------|---|---|--|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | | | |
| (18) WAYNE HENSON SECRETARY-TREASURER | 1.00 | | | X | | | 0. | 0. | 0. |
| (19) GEORGE B. KITCHENS IMMEDIATE PAST CHAIRMAN | 1.50 | | | X | | | 0. | 0. | 0. |
| (20) BILL CARROLL VICE CHAIRMAN | 1.00 | | | X | | | 0. | 0. | 0. |
| (21) DOUGLAS J. PETERS | 40.00 | | | X | | | 151,360. | 0. | 34,806. |
| (22) HAROLD DEPRIEST CHAIRMAN | 2.00 | | | X | | | 0. | 0. | 0. |
| (23) JOHN I. COOKE | 40.00 | | | | X | | 129,075. | 0. | 31,680. |
| (24) JAMES P. BURGESS | 40.00 | | | | X | | 118,851. | 0. | 31,680. |
| (25) JAMES S. ADAMS, JR. | 40.00 | | | | X | | 114,728. | 0. | 34,028. |
| (26) JAMES L. SHEFFIELD | 40.00 | | | | X | | 112,418. | 0. | 34,805. |
| 1b Sub-total | | | | | | ► | 938,315. | 0. | 206,427. |
| c Total from continuation sheets to Part VII, Section A | | | | | | ► | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | ► | 938,315. | 0. | 206,427. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 6

| | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual | 3 | X |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual | 4 | X |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person | 5 | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--|---------------------|
| MILLER & MARTIN, PLLC 832 GEORGIA AVENUE, CHATTANOOGA, TN 37402 | LEGAL SERVICES | 296,866. |
| MORGAN MEGUIRE, LLC, 1225 I STREET, NW SUITE 1150, WASHINGTON, DC 20005 | FEDERAL LEGISLATIVE SERVICES | 131,535. |
| R.P. & ASSOCIATES 1206 BROAD STREET, CHATTANOOGA, TN 37402 | SAFETY CONSULTANT SERVICES | 127,166. |
| DJJMK, INC. 436 LAURA ANN DRIVE, COLLIERVILLE, TN 38017 | SAFETY TRAINING AND CONSULTANT SERVICES | 120,810. |
| KEEN RESOURCE GROUP, INC. 1473 JAYS COURT, SODDY DAISY, TN 37379 | EMPLOYEE COACHING FOR MEMBER UTILITIES | 116,757. |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 5

Part VIII | Statement of Revenue

| Contributions, Gifts, Grants and Other Similar Amounts | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|---|----------------|---------------|----------------------|---|---|--|
| | | | | | | |
| 1 a Federated campaigns | 1a | | | | | |
| b Membership dues | 1b | | | | | |
| c Fundraising events | 1c | | | | | |
| d Related organizations | 1d | | | | | |
| e Government grants (contributions) | 1e | | | | | |
| f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | | |
| g Noncash contributions included in lines 1a-1f \$ | | | | | | |
| h Total. Add lines 1a-1f | | ► | | | | |
| Program Service Revenue | | | | | | |
| 2 a EDUCATION & TRAINING | Business Code | | | | | |
| b MEMBER DUES/ASSESSMENT | 541900 | 1,743,687. | 1,743,687. | | | |
| c ANNUAL/SECTIONAL CONF | 900099 | 1,350,254. | 1,350,254. | | | |
| d CONSULTING FEES | 541900 | 918,753. | | | | 918,753. |
| e FEES - GOVT AGENCIES | 541610 | 458,426. | | | 458,426. | |
| f All other program service revenue | 900099 | 284,190. | | | | 284,190. |
| g Total. Add lines 2a-2f | 541610 | 181,501. | 22,321. | 159,180. | | |
| ► | | 4,936,811. | | | | |
| 3 Investment income (including dividends, interest, and other similar amounts) | | ► | 29,897. | | | 29,897. |
| 4 Income from investment of tax-exempt bond proceeds | | ► | | | | |
| 5 Royalties | | ► | | | | |
| 6 a Gross rents | (i) Real | (ii) Personal | | | | |
| b Less: rental expenses | 35,668. | | | | | |
| c Rental income or (loss) | 10,988. | | | | | |
| d Net rental income or (loss) | 24,680. | | | | | |
| ► | | | 24,680. | | 24,680. | |
| 7 a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | |
| b Less: cost or other basis and sales expenses | 200,000. | 330. | | | | |
| c Gain or (loss) | 200,000. | 850. | | | | |
| d Net gain or (loss) | 0. | <520. | ► | | | |
| ► | | | <520. | | | <520. |
| 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | |
| b Less: direct expenses | b | | | | | |
| c Net income or (loss) from fundraising events | | ► | | | | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | |
| b Less: direct expenses | b | | | | | |
| c Net income or (loss) from gaming activities | | ► | | | | |
| 10 a Gross sales of inventory, less returns and allowances | a | | | | | |
| b Less: cost of goods sold | b | | | | | |
| c Net income or (loss) from sales of inventory | | ► | | | | |
| Miscellaneous Revenue | Business Code | | | | | |
| 11 a MANAGEMENT FEES | 541610 | 811,719. | | | 811,719. | |
| b ADVERTISING | 541800 | 87,745. | | | 87,745. | |
| c NET LOSS-SUBSIDIARY | 900099 | <464,265.► | <464,265.► | | | |
| d All other revenue | | | | | | |
| e Total. Add lines 11a-11d | | ► | 435,199. | | | |
| 12 Total revenue. See instructions | | ► | 5,426,067. | 2,651,997. | 1541750. | 1232320. |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX

| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i> | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 698,231. | | | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 1,051,718. | | | |
| 8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions) | 249,273. | | | |
| 9 Other employee benefits | 225,358. | | | |
| 10 Payroll taxes | 113,714. | | | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 210,576. | | | |
| c Accounting | 14,810. | | | |
| d Lobbying | 120,000. | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other | 400,133. | | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | 19,294. | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 86,245. | | | |
| 17 Travel | 43,641. | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 334,524. | | | |
| 20 Interest | 48,362. | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 176,923. | | | |
| 23 Insurance | 169,433. | | | |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a TRAINING AND EDUCATION | 837,725. | | | |
| b PROGRAM ADMIN ALLOWANCE | 159,180. | | | |
| c MAINTENANCE | 149,622. | | | |
| d POWER SUPPLY | 126,333. | | | |
| e All other expenses | 355,971. | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 5,591,066. | | | |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | |

Check here ► if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year |
|-----------------------------|---|--------------------------|-----|--------------------|
| Assets | 1 Cash - non-interest-bearing | 390. | 1 | 451. |
| | 2 Savings and temporary cash investments | 1,530,514. | 2 | 1,687,397. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 113,366. | 4 | 352,188. |
| | 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | 12,046. | 9 | 20,114. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 3,444,940. | | |
| | b Less: accumulated depreciation | 10b 1,360,627. | 10c | 2,084,313. |
| | 11 Investments - publicly traded securities | 576,167. | 11 | 479,807. |
| | 12 Investments - other securities. See Part IV, line 11 | 13,382,645. | 12 | 12,804,710. |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | | 15 | |
| | 16 Total assets. Add lines 1 through 15 (must equal line 34) | 17,733,266. | 16 | 17,428,980. |
| Liabilities | 17 Accounts payable and accrued expenses | 191,236. | 17 | 180,686. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | 720,208. | 19 | 737,623. |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 772,536. | 23 | 728,949. |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 23,648. | 25 | 39,670. |
| | 26 Total liabilities. Add lines 17 through 25 | 1,707,628. | 26 | 1,686,928. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | |
| | 27 Unrestricted net assets | 16,017,321. | 27 | 15,733,735. |
| | 28 Temporarily restricted net assets | 8,317. | 28 | 8,317. |
| | 29 Permanently restricted net assets | | 29 | |
| | Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| | 33 Total net assets or fund balances | 16,025,638. | 33 | 15,742,052. |
| | 34 Total liabilities and net assets/fund balances | 17,733,266. | 34 | 17,428,980. |

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

| | | |
|--|---|-------------|
| 1 Total revenue (must equal Part VIII, column (A), line 12) | 1 | 5,426,067. |
| 2 Total expenses (must equal Part IX, column (A), line 25) | 2 | 5,591,066. |
| 3 Revenue less expenses. Subtract line 2 from line 1 | 3 | <164,999. > |
| 4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 16,025,638. |
| 5 Other changes in net assets or fund balances (explain in Schedule O) | 5 | <118,587. > |
| 6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 15,742,052. |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?
 b Were the organization's financial statements audited by an independent accountant?
 c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
 b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

| | Yes | No |
|----|-----|----|
| 2a | | X |
| 2b | X | |
| 2c | X | |
| 3a | | X |
| 3b | | |

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

► Complete if the organization is described below. ► Attach to Form 990 or Form 990-EZ.
► See separate instructions.

If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

Employer identification number

62-0468356

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ...
3 Volunteer hours

Part 1-B Complete if the organization is exempt under section 501(c)(3).

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ _____
- Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ _____
- Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ► \$ _____
- Did the filing organization file Form 1120-POL for this year? Yes No
- Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2011

IHA

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768
(election under section 501(h)).

A Check ► if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ► if the filing organization checked box A and "limited control" provisions apply.

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|---|--|---|------------------------------------|--------------------|-------------------------------|---|--|---|--|--|---|-------------------|--------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grass roots lobbying) | | | | | | | | | | | | | | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | | | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table> | | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | Not over \$500,000 | 20% of the amount on line 1e. | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | Over \$17,000,000 | \$1,000,000. | | |
| If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | | | | | | | | | | | | | | |
| Not over \$500,000 | 20% of the amount on line 1e. | | | | | | | | | | | | | | |
| Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | | | | | | | | | | | | | | |
| Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | | | | | | | | | | | | | | |
| Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | | | | | | | | | | | | | | |
| Over \$17,000,000 | \$1,000,000. | | | | | | | | | | | | | | |
| g Grassroots nontaxable amount (enter 25% of line 1f) | | | | | | | | | | | | | | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0- | | | | | | | | | | | | | | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0- | | | | | | | | | | | | | | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | | | | | | | | | | |

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

| Lobbying Expenditures During 4-Year Averaging Period | | | | | |
|---|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

| | (a) | | (b) |
|---|-----|----|--------|
| | Yes | No | Amount |
| 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | | |
| c Media advertisements? | | | |
| d Mailings to members, legislators, or the public? | | | |
| e Publications, or published or broadcast statements? | | | |
| f Grants to other organizations for lobbying purposes? | | | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body? | | | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | | |
| i Other activities? | | | |
| j Total. Add lines 1c through 1i | | | |
| 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | | |
| b If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

| | Yes | No |
|---|-----|----|
| 1 Were substantially all (90% or more) dues received nondeductible by members? | X | |
| 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less? | | X |
| 3 Did the organization agree to carry over lobbying and political expenditures from the prior year? | | X |

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

| | | |
|--|----|--|
| 1 Dues, assessments and similar amounts from members | 1 | |
| 2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid). | | |
| a Current year | 2a | |
| b Carryover from last year | 2b | |
| c Total | 2c | |
| 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues | 3 | |
| 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? | 4 | |
| 5 Taxable amount of lobbying and political expenditures (see instructions) | 5 | |

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

SCHEDULE C, PART III-A, LINE 1: THE NON-DEDUCTIBILITY OR DEDUCTIBILITY

IS NOT MATERIAL BECAUSE MEMBERS OF TVPPA ARE MUNICIPALITIES AND RURAL

ELECTRIC COOPERATIVES THAT ARE NOT TAXABLE ENTITIES.

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2011Open to Public
Inspection

Name of the organization

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Employer identification number
62-0468356**Part I** Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|------------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

| | | |
|---|--|--|
| 1 Purpose(s) of conservation easements held by the organization (check all that apply). | <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an historically important land area |
| | <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| | <input type="checkbox"/> Preservation of open space | |
| 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. | | |
| a Total number of conservation easements | | Held at the End of the Tax Year |
| b Total acreage restricted by conservation easements | 2a | |
| c Number of conservation easements on a certified historic structure included in (a) | 2b | |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2c | |
| 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► | 2d | |
| 4 Number of states where property subject to conservation easement is located ► | | |
| 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► | | |
| 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ | | |
| 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements. | | |

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

| | |
|---|------------|
| 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. | |
| b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: | |
| (i) Revenues included in Form 990, Part VIII, line 1 | ► \$ _____ |
| (ii) Assets included in Form 990, Part X | ► \$ _____ |
| 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: | |
| a Revenues included in Form 990, Part VIII, line 1 | ► \$ _____ |
| b Assets included in Form 990, Part X | ► \$ _____ |

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a Public exhibition
 b Scholarly research
 c Preservation for future generations
 d Loan or exchange programs
 e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

| | Amount |
|----|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

1a Beginning of year balance
 b Contributions
 c Net investment earnings, gains, and losses
 d Grants or scholarships
 e Other expenditures for facilities and programs
 f Administrative expenses
 g End of year balance

| (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|------------------|----------------|--------------------|----------------------|---------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ► _____ %
 b Permanent endowment ► _____ %
 c Temporarily restricted endowment ► _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations
 (ii) related organizations

| Yes | No |
|--------|----|
| 3a(i) | |
| 3a(ii) | |
| 3b | |

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|-------------------|
| 1a Land | | 200,000. | | 200,000. |
| b Buildings | | 1,893,464. | 431,617. | 1,461,847. |
| c Leasehold improvements | | | | |
| d Equipment | | 1,351,476. | 929,010. | 422,466. |
| e Other | | | | |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | ► | 2,084,313. |

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|--------------------|--|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) INVESTMENT IN SUBSIDIARY | 12,804,710. | COST |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| (I) | | |
| Total. (Col (b) must equal Form 990, Part X, col (B) line 12) ► | 12,804,710. | |

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

| (a) Description of investment type | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|--|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Col (b) must equal Form 990, Part X, col (B) line 13) ► | | |

Part IX Other Assets. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|--|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ► | |

Part X Other Liabilities. See Form 990, Part X, line 25.

| (a) Description of liability | (b) Book value |
|--|----------------|
| (1) Federal income taxes | |
| (2) DEFERRED COMPENSATION | 39,670. |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ► | 39,670. |

FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

| | | |
|---|----|-------------|
| 1 Total revenue (Form 990, Part VIII, column (A), line 12) | 1 | 5,426,067. |
| 2 Total expenses (Form 990, Part IX, column (A), line 25) | 2 | 5,591,066. |
| 3 Excess or (deficit) for the year. Subtract line 2 from line 1 | 3 | <164,999. > |
| 4 Net unrealized gains (losses) on investments | 4 | <118,587. > |
| 5 Donated services and use of facilities | 5 | |
| 6 Investment expenses | 6 | |
| 7 Prior period adjustments | 7 | |
| 8 Other (Describe in Part XIV.) | 8 | |
| 9 Total adjustments (net). Add lines 4 through 8 | 9 | <118,587. > |
| 10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | 10 | <283,586. > |

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

| | | |
|---|----|-------------|
| 1 Total revenue, gains, and other support per audited financial statements | 1 | 5,885,415. |
| 2 Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a Net unrealized gains on investments | 2a | <4,917. > |
| b Donated services and use of facilities | 2b | |
| c Recoveries of prior year grants | 2c | |
| d Other (Describe in Part XIV.) | 2d | |
| e Add lines 2a through 2d | 2e | <4,917. > |
| 3 Subtract line 2e from line 1 | 3 | 5,890,332. |
| 4 Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b Other (Describe in Part XIV.) | 4b | <464,265. > |
| c Add lines 4a and 4b | 4c | <464,265. > |
| 5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | 5,426,067. |

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

| | | |
|--|----|------------|
| 1 Total expenses and losses per audited financial statements | 1 | 5,591,066. |
| 2 Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a Donated services and use of facilities | 2a | |
| b Prior year adjustments | 2b | |
| c Other losses | 2c | |
| d Other (Describe in Part XIV.) | 2d | |
| e Add lines 2a through 2d | 2e | 0. |
| 3 Subtract line 2e from line 1 | 3 | 5,591,066. |
| 4 Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b Other (Describe in Part XIV.) | 4b | |
| c Add lines 4a and 4b | 4c | 0. |
| 5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 | 5,591,066. |

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

NET LOSS OF SUBSIDIARY -464,265.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

► Complete if the organization answered "Yes" to Form 990,

Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Employer identification number

62-0468356

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

| | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

| | |
|---|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name | (B) Breakdown of W2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---------------------|---|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 JACKIE W. SIMMONS | 257,058. | 15,000. | 39,825. | 17,324. | 22,104. | 351,311. | 0. |
| | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 2 DOUGLAS J. PETERS | 139,859. | 6,233. | 5,268. | 17,324. | 17,482. | 186,166. | 0. |
| | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 3 JOHN I. COOKE | 124,135. | 4,940. | 0. | 17,324. | 14,356. | 160,755. | 0. |
| | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 4 JAMES P. BURGESS | 111,000. | 4,440. | 3,411. | 17,324. | 14,356. | 150,531. | 0. |
| | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 5 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 6 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 7 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 8 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 9 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 10 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 11 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 12 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 13 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 14 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 15 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| 16 | 0. | 0. | 0. | 0. | 0. | 0. | 0. |

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

- Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
- Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2011

**Open To Public
Inspection**

Name of the organization

Employer identification number
62-0468356

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Part 1

Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

| 1 | (a) Name of disqualified person | (b) Description of transaction | (c) Corrected? | |
|---|---------------------------------|--------------------------------|----------------|----|
| | | | Yes | No |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

► \$ _____
► \$ _____

Part # **Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

Total

9

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount and type of assistance |
|--------------------------------------|--|--|
| | | |
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LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2011

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|---------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| JACKIE W. SIMMONS | SERVES AS THE CEO O | 235,719. | MANAGEMENT | | X |
| JACKIE W. SIMMONS | SERVES AS THE CEO O | 576,000. | MANAGEMENT | | X |
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Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: JACKIE W. SIMMONS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

SERVES AS THE CEO OF TVPPA AND DISTRIBUTORS INSURANCE CORPORATION

(C) AMOUNT OF TRANSACTION \$ 235,719.

(D) DESCRIPTION OF TRANSACTION: MANAGEMENT AGREEMENT - AMOUNTS FROM THE MANAGEMENT CONTRACT ARE RECEIVED BY TVPPA AND ARE NOT REMITTED TO JACKIE W. SIMMONS IN ANY FORM.

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: JACKIE W. SIMMONS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

SERVES AS THE CEO OF TVPPA AND SEVEN STATES POWER CORPORATION

(C) AMOUNT OF TRANSACTION \$ 576,000.

(D) DESCRIPTION OF TRANSACTION: MANAGEMENT AGREEMENT - AMOUNTS FROM THE MANAGEMENT CONTRACT ARE RECEIVED BY TVPPA AND ARE NOT REMITTED TO JACKIE W. SIMMONS IN ANY FORM

(E) SHARING OF ORGANIZATION REVENUES? = NO

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
► Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011
Open to Public
Inspection

Name of the organization

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Employer identification number
62-0468356

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

PROFESSIONAL ASSISTANCE TO THE ASSOCIATION'S MEMBERS IN THEIR ONGOING
RELATIONSHIPS WITH TVA WITH REPECT TO TERMS AND CONDITIONS OF
CONTRACTS, RATES, CONSERVATION PROGRAMS, AND OTHER MATTERS THAT WILL
AID AND FACILITATE THE MUNICIPAL AND COOPERATIVE ELECTRIC MEMBER
UTILITIES IN THE ACHIEVEMENT OF THEIR OBJECTIVES THAT ELECTRIC ENERGY
AND POWER IS SOLD TO THE ULTIMATE CONSUMER RATEPAYER AT THE LOWEST
FEASIBLE RATES.

FORM 990, PART VI, SECTION A, LINE 6: TVPPA IS ORGANIZED AS A NONPROFIT
MUTUAL BENEFIT CORPORATION WITH MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7A: THE MEMBERS OF TVPPA ELECT THE
MEMBERS OF THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B: ACCORDING TO THE TVPPA BYLAWS,
APPROVAL IS REQUIRED BY THE MEMBERS FOR CERTAIN DECISIONS.

FORM 990, PART VI, SECTION B, LINE 11: A DRAFT COPY OF THE FORM 990 WAS
PROVIDED TO MEMBERS OF MANAGEMENT FOR REVIEW. AFTER MANAGEMENT REVIEW AND
APPROVAL FOR FILING, A COPY OF THE FINALIZED FORM 990 WAS MAILED TO EACH
MEMBER OF THE BOARD BEFORE THE RETURN WAS FILED WITH THE IRS. THE MEMBERS
OF THE BOARD WERE INVITED TO CONTACT TVPPA MANAGEMENT WITH COMMENTS OR
QUESTIONS PERTAINING TO THE FORM 990.

FORM 990, PART VI, SECTION B, LINE 12C: TVPPA'S ETHICS AND CONFLICT OF

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
132211
01-23-12

Schedule O (Form 990 or 990-EZ) (2011)

Name of the organization

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Employer identification number

62-0468356

INTEREST POLICY IS REVIEWED AT LEAST ANNUALLY WITH MEMBERS OF THE TVPPA BOARD OF DIRECTORS, OFFICERS AND KEY PERSONS, ALL OF WHOM ARE REQUIRED TO UPDATE NO LESS THAN ANNUALLY THEIR CONFLICT OF INTEREST DISCLOSURE STATEMENTS. TVPPA'S GENERAL COUNSEL REVIEWS THE POLICY AND ITS IMPLICATIONS ANNUALLY WITH DIRECTORS, OFFICERS, AND KEY PERSONS. THERE IS A PROCESS FOR CONSULTATION AND DECISIONS FOR INTERPRETING APPLICATION OF THE POLICY TO SPECIFIC OR HYPOTHETICAL CIRCUMSTANCES.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS USED WAS THAT COMPARABLE DATA WAS PRESENTED BY THE BOARD CHAIRMAN TO THE EXECUTIVE COMMITTEE WHICH REVIEWS AND ESTABLISHES THE CEO'S COMPENSATION. ALSO, WITHIN THE KNOWLEDGE OF TVPPA EXECUTIVE COMMITTEE MEMBERS WAS INFORMATION OF WHICH THEY WERE ALREADY AWARE REGARDING COMPENSATION PAID TO THE CEOS OF MUNICIPAL OR COOPERATIVE STATE-WIDE ORGANIZATIONS IN WHICH THEIR SYSTEMS WERE MEMBERS AND ON WHOSE GOVERNING BOARDS OR COMMITTEES THEY SERVE WHICH MAKES AVAILABLE COMPENSATION ARRANGEMENTS WITH THEIR CEO.

THE COMPENSATION OF ALL OTHER EMPLOYEES OF TVPPA IS ESTABLISHED BY THE CEO BASED UPON ASSOCIATION INDUSTRY PREVAILING SALARIES AND BENEFITS, PREVAILING AREA AND REGIONAL MARKET SALARIES, AND OTHER INFORMATION DEEMED RELEVANT BY THE CEO, AND SUBJECT TO OVERALL BUDGET APPROVAL BY THE TVPPA BOARD OF DIRECTORS.

THE BOARD HAS PLACED A WRITTEN COMPENSATION PLAN IN EFFECT FOR ANNUAL INDEPENDENT REVIEWS OF EXECUTIVE COMPENSATION.

FORM 990, PART VI, SECTION C, LINE 18: FORM 990 IS OPEN TO PUBLIC INSPECTION UPON REQUEST AND CAN ALSO BE VIEWED ON ANOTHER'S WEBSITE.

Name of the organization

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Employer identification number

62-0468356

FORM 990, PART VI, SECTION C, LINE 19: TVPPA'S CHARTER AND CERTAIN REPORTS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE OFFICE OF THE TENNESSEE SECRETARY OF STATE. THE ORGANIZATION'S CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE TO THE PUBLIC BECAUSE FEDERAL TAX LAW DOES NOT REQUIRE SUCH DOCUMENTS TO BE MADE PUBLICLY AVAILABLE.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS:

-118,587.

Related Organizations and Unrelated Partnerships

- Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
- Attach to Form 990.
- See separate instructions.

Role of the organization

TENNESSEE VALLEY PUBLIC POWER ASSOC. INC

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

| (a) Name, address, and EIN of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|--|---|---|---------------------|---------------------------|-------------------------------------|
| UNITED STATES SOUTHAVEN, LLC - 26-0618114 206 BROAD STREET CHATTANOOGA, TN 37402 | POWER GENERATION - SEE STATEMENT ON PART VII | DELAWARE | | | SEE STATEMENT ON PART VII |
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Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

or Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

Part III

Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership |
|---|---|---|-------------------------------------|---|---------------------------------|--|--------------------------------|
| DISTRIBUTORS INSURANCE COMPANY - 62-1167206 1206 BROAD STREET CHATTANOOGA, TN 37402 | PROVIDES VARIOUS INSURANCE COVERAGES TO TVPPA MEMBERS | TN | C CORP | <464,265.7 | 29,116,752. | 100% | |
| SEVEN STATES POWER CORPORATION - 26-0618114 1206 BROAD STREET CHATTANOOGA, TN 37402 | ELECTRIC POWER GENERATION AND TRANSMISSION | TN | N/A | C CORP | N/A | N/A | N/A |
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Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s) ...
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

i Lease of facilities, equipment, or other assets to related organization(s)

j Lease of facilities, equipment, or other assets from related organization(s)

k Performance of services or membership or fundraising solicitations for related organization(s)

l Performance of services or membership or fundraising solicitations by related organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

r Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

| | (a) Name of other organization | (b) Transaction type (a-r) | (c) Amount involved | (d) Method of determining amount involved |
|------------------------------------|-----------------------------------|-------------------------------|----------------------------------|--|
| (1) DISTRIBUTORS INSURANCE COMPANY | P | 235,719. | ACTUAL VALUE OF RECORDED REVENUE | |
| (2) SEVEN STATES POWER CORPORATION | P | 576,000. | ACTUAL VALUE OF RECORDED REVENUE | |
| (3) | | | | |
| (4) | | | | |
| (5) | | | | |
| (6) | | | | |

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

SCHEDULE R, PART I

TVPPA DOES NOT HAVE A DIRECT CONTROLLING INTEREST, SHARE OF INCOME OR SHARE OF END-OF-YEAR ASSETS IN SEVEN STATES SOUTHAVEN, LLC. THE MEMBERS OF SEVEN STATES SOUTHAVEN, LLC ARE MEMBERS OF SENIOR MANAGEMENT OF TVPPA. IN THE INTEREST OF FULL DISCLOSURE, SEVEN STATES SOUTHAVEN, LLC IS LISTED ON SCHEDULE R.

| Asset No | Description | Date Acquired | Method | Life | Line No | Unadjusted Cost Or Basis | Bus % Excl | Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Current Year Deduction |
|----------|--|---------------|------------|----------|---------|--------------------------|------------|--------------------|------------------------|--------------------------|-----------------|------------------------|
| | BUILDINGS | | | | | | | | | | | |
| 2 | BUILDING 110602\$1. | 000 | 16 | 1893464. | | 1893464. | | 380,961. | 380,961. | 50,656. | 50,656. | |
| | * 990 PAGE 10 TOTAL BUILDINGS | | | 1893464. | | 0. | 1893464. | 380,961. | 0. | 50,656. | | |
| | MACHINERY & EQUIPMENT | | | | | | | | | | | |
| 1 | EQUIPMENT 1149662. | 000 | 16 | 1149662. | | 1149662. | | 703,312. | 703,312. | 96,785. | 96,785. | |
| | * 990 PAGE 10 TOTAL EQUIPMENT | | | 1149662. | | 0. | 1149662. | 703,312. | 0. | 96,785. | | |
| 3 | AUTOMOBILES 201,814. | 000 | 16 | 201,814. | | 201,814. | | 96,915. | 96,915. | 31,998. | 31,998. | |
| | * 990 PAGE 10 TOTAL TRANSPORTATION EQUIPMENT | | | 201,814. | | 0. | 201,814. | 96,915. | 0. | 31,998. | | |
| | LAND | | | | | | | | | | | |
| 4 | LAND 200,000. | LAND | 110602\$1. | | | 200,000. | | 0. | 0. | 0. | 0. | |
| | * 990 PAGE 10 TOTAL LAND | | | 200,000. | | 0. | 200,000. | 0. | 0. | 0. | 0. | |
| | * GRAND TOTAL 990 PAGE 10 DEPR | | | 3444940. | | 0. | 3444940. | 1181188. | 0. | 179,439. | 0. | |

128102
05-01-11

(D) • Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction