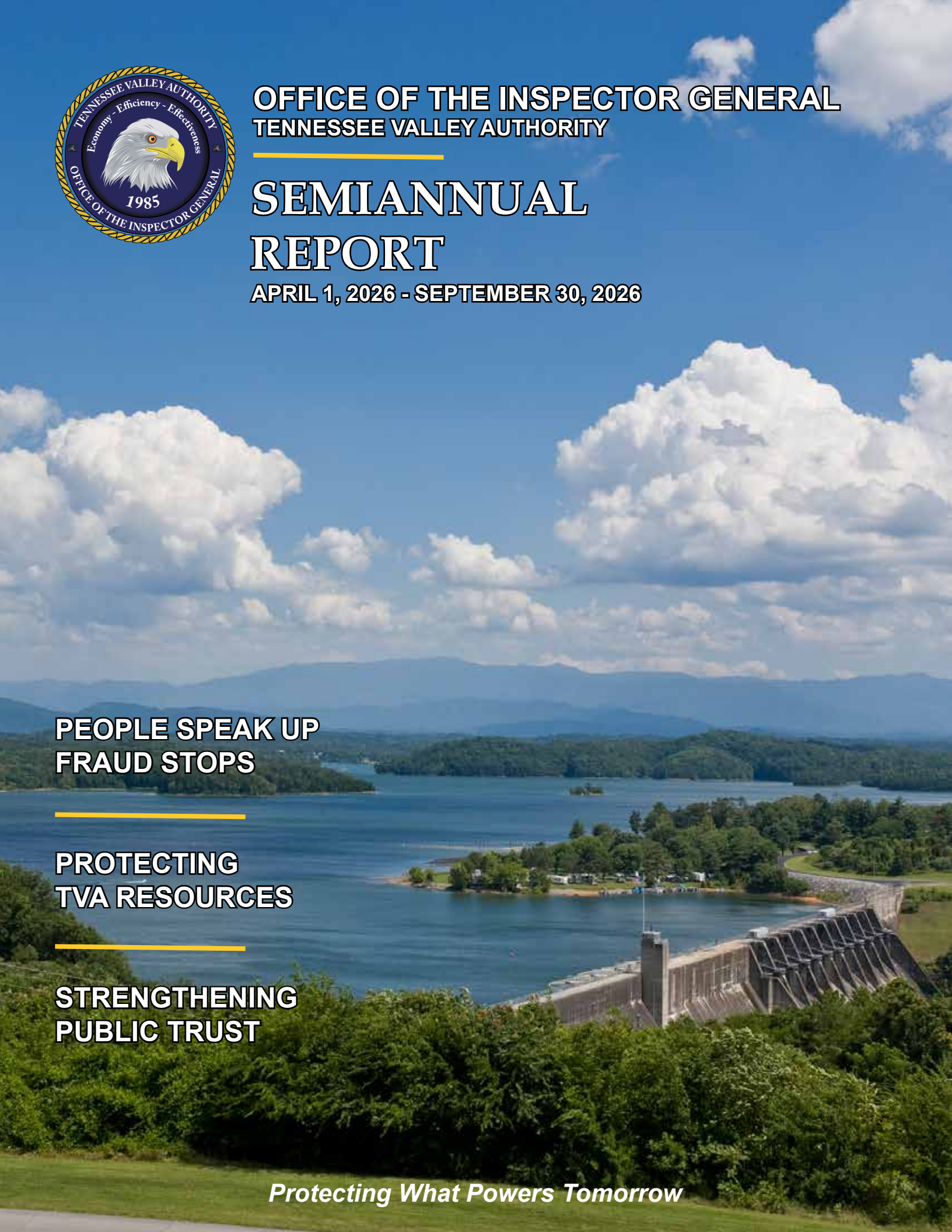
OFFICE OF THE INSPECTOR GENERAL
TENNESSEE VALLEY AUTHORITY

SEMIANNUAL REPORT

APRIL 1, 2026 - SEPTEMBER 30, 2026



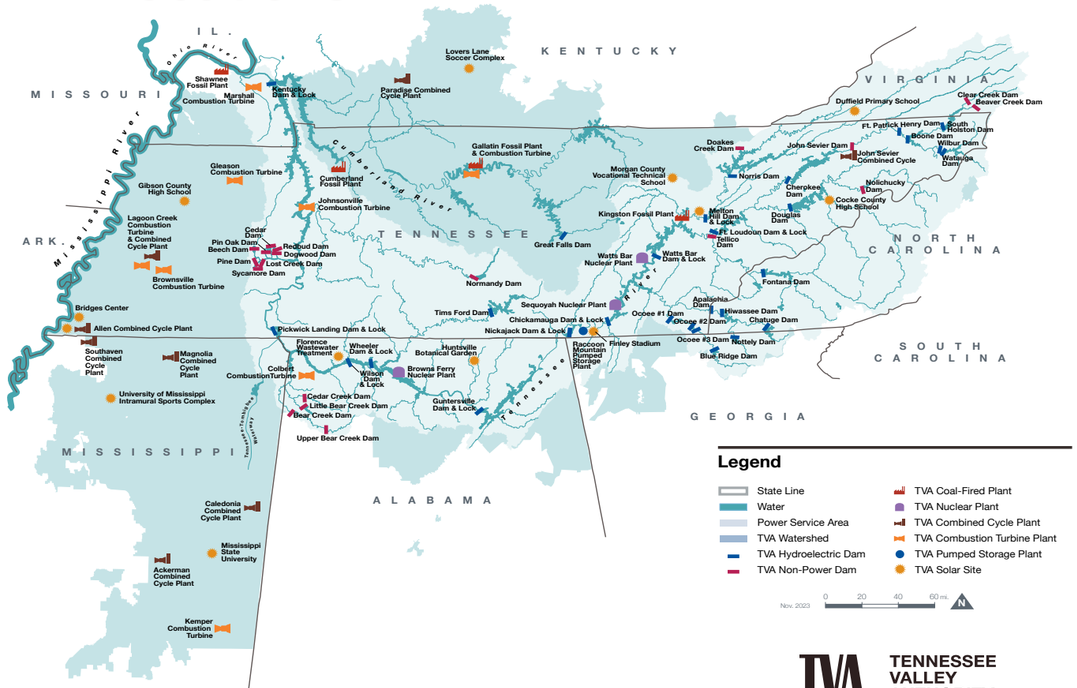
PEOPLE SPEAK UP
FRAUD STOPS

PROTECTING
TVA RESOURCES

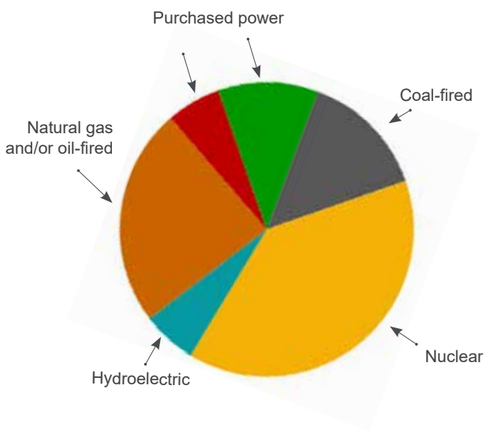
STRENGTHENING
PUBLIC TRUST

Protecting What Powers Tomorrow

TVA Locations



Total Power Supply by Generating Source
Twelve Months Ended September 30, 2026[1] [2]
(millions of kilowatt hours)



- Coal-fired - 25,280
- Nuclear - 67,755
- Hydroelectric - 9,691
- Natural gas and/or oil-fired - 41,949
- Purchased power (hydroelectric, wind, and other renewables) - 10,199
- Purchased power (natural gas, oil-fired, and coal-fired) - 19,883

[1] For additional detail, see TVA's 10-K for the period ended September 30, 2026.

[2] Generation from TVA-owned renewable resources (nonhydroelectric) is less than one percent for the period shown and therefore is not represented in the chart above. Purchased power contains the majority of TVA's nonhydroelectric renewable energy supply.

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MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present our report for the period April 1, 2026, to September 30, 2026. In our semiannual report feature, we discuss the important role that Office of Inspectors General play in agency whistleblower programs. These programs serve as an early warning system for identifying violations of law, gross mismanagement, gross waste of funds, abuse of authority, and substantial dangers to public health and safety. By independently reviewing and investigating such concerns, Inspectors General help agencies address risks before they become larger organizational problems.



During this semiannual reporting period, our audit, evaluation, and investigative activities identified more than $47.3 million in questioned costs, funds to be put to better use, recoveries, fees, and savings; while also identifying opportunities for the Tennessee Valley Authority (TVA) to strengthen its programs and operations. Across TVA's operations, our work identified opportunities to strengthen project management, improve cybersecurity controls, enhance contractor oversight, and prevent fraud, waste, and abuse. Below are highlights of our work this period.

- In fiscal year (FY) 2025, TVA spent about $6.8 billion on contracts primarily for labor, services, materials, and equipment. Our Contract Audits group audits these contracts to identify recovery opportunities and improve contract administration. During this period, we completed seven contract compliance audits covering $222 million in expenditures and identified nearly $7 million in potential overbillings and excessive payments.

- In August 2019, the TVA Board of Directors (TVA Board) approved the installation of aeroderivative combustion turbines, at the former Johnsonville Fossil Plant site. Our review of this project found that ineffective monitoring and control of project costs resulted in $20.8 million in costs that could have been avoided by holding contractors accountable to contract terms, $8.9 million in costs that lacked adequate support for approval, and overpayment of $1.1 million in duplicate and disallowed charges.

- TVA manages devices that may contain critical infrastructure information, personally identifiable information, or sensitive business information. Failure to properly handle and report lost or stolen devices increases the risk of unauthorized access to TVA data. We conducted an audit to determine if TVA follows policies, procedures, and federal guidance for lost or stolen devices and determined TVA did not consistently comply with federal requirements for reporting lost or stolen devices. Additionally, we found controls to address the risk of unauthorized information disclosure were not implemented consistently.

- Through vendors, TVA utilizes staff augmentation contractors to supplement its workforce. We performed an audit of TVA's Nuclear organization contractor qualifications to determine if contractors are providing personnel that meet qualification requirements. We identified six contractors that did not meet qualification requirements and, for more than half of the personnel reviewed, we could not make a determination on whether they met the qualifications because of insufficient documentation. In addition, we found issues with some vendors related to verifying credentials and references.



- TVA utilizes its fiber optic communication infrastructure for transferring internal data and controlling much of its power system. In May 2017, the TVA Board approved the Strategic Fiber Initiative with a budget of $300 million to expand TVA's fiber capacity by 3,500 miles over the course of 10 years. We performed a review of the program and determined the original budget for the program contained some flawed assumptions that resulted in an underestimated cost per mile. To stay within the approved $300 million budget, TVA was only able to complete approximately 1,900 miles of fiber installation.

- Investigations of alleged fraud involving CARES Act funds paid through the Paycheck Protection Program (PPP) led to a (1) guilty plea from a now former TVA employee and (2) settlement agreement with a TVA vendor to repay a loan they were not qualified to receive under the PPP.

TVA continues to move forward with the largest construction and acquisition of new generation resources in its recent history. On September 29, 2026, TVA received the Nuclear Regulatory Commission approval for a construction permit for Clinch River Unit 1 at TVA's Clinch River Nuclear site in Oak Ridge, Tennessee. TVA is now the first United States utility permitted to construct the GE Vernova Hitachi Nuclear Energy BWRX-300 small modular reactor. TVA's planned investment in small modular reactor technology represents a significant milestone that will require continued attention to project execution, governance, and program management.

As TVA continues to make significant investments in infrastructure and new generation resources, effective governance, risk management, and accountability will remain essential to achieving mission success. The TVA Office of the Inspector General (OIG), in our independent oversight role, will continue to identify ways to improve operations and mitigate risks; save or recover money; and prevent and detect fraud, waste, and abuse. I am proud to work with the men and women of the TVA OIG who demonstrate daily their commitment to helping TVA be better for the 10 million residents of the Valley.

In April 2026, after the retirement of Don Moul, the TVA Board appointed Mike Skaggs as the interim President and Chief Executive Officer of TVA. Mike brings more than 40 years of utility experience, including almost 30 years at TVA where he previously served as TVA's Chief Operating Officer from 2018 to 2021. We look forward to working with Mike and TVA leadership as the organization continues to address emerging opportunities and challenges.



Ben R. Wagner
Inspector General

SPECIAL FEATURE

PROTECTING WHAT POWERS TOMORROW: THE ESSENTIAL ROLE OF WHISTLEBLOWERS AND INSPECTORS GENERAL

The Tennessee Valley Authority's (TVA) mission of providing reliable, affordable, and sustainable energy depends not only on physical assets and operational excellence, but also on a culture of accountability. Employees and contractors who raise concerns in good faith help identify risks before they become larger problems. When combined with independent oversight, those disclosures help protect public resources, strengthen operations, and ultimately protect what powers tomorrow.

Whistleblowers and Inspectors General serve complementary roles. Whistleblowers provide critical information about potential violations of law, wasteful spending, abuse of authority, safety concerns, or other misconduct. Offices of Inspector General provide an independent mechanism for evaluating those concerns through audits, evaluations, and investigations. Together, they help safeguard public resources, strengthen organizational performance, and reinforce public trust in government institutions.

THE IMPORTANCE OF SPEAKING UP

Speaking up is not simply about identifying wrongdoing. It is about helping an organization succeed. Every concern raised in good faith presents an opportunity to improve safety, strengthen controls, enhance operational effectiveness, and reinforce public confidence. For TVA, those improvements help ensure the continued delivery of the energy and services that millions of people depend upon every day.

Employees and contractors are often the first to recognize emerging problems because they work closest to an organization's daily operations. They may identify issues involving contracting practices, financial controls, operational inefficiencies, safety concerns, conflicts of interest, or other matters long before they become visible to leadership, auditors, Congress, or the public. As a result, whistleblower programs serve as an important early-warning system.

The value of such reporting has been recognized throughout American history. One well-known example is Ernest Fitzgerald, a Department of the Air Force official who reported significant cost overruns involving the C-5 Galaxy aircraft program during the late 1960s. His experience helped highlight the need for stronger protections for individuals who disclose government waste and contributed to the evolution of modern whistleblower protections.

Today, whistleblowing protections encourage employees to report concerns involving violations of law, gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific dangers to public health or safety. These protections recognize a simple reality—organizations function best when employees can raise concerns without fear of retaliation.



A. Ernest Fitzgerald

THE ROLE OF INSPECTORS GENERAL

Created under the Inspector General Act of 1978, Offices of Inspector General are charged with promoting economy, efficiency, and effectiveness while preventing and detecting fraud, waste, and abuse in government programs and operations.

Inspectors General fulfill this mission through a variety of oversight activities, including:

- Audits that evaluate financial and operational controls.
- Investigations that examine allegations of misconduct and fraud.
- Inspections and evaluations that assess program effectiveness.
- Hotline programs that provide reporting channels for employees and the public.
- Recommendations designed to strengthen internal controls and improve operations.

The effectiveness of this work depends upon independence. An Inspector General must be free to follow facts wherever they lead, regardless of whether the findings are favorable or unfavorable to agency management. That independence allows the Office of the Inspector General (OIG) to provide Congress, leadership, employees, and the public with objective assessments of significant issues affecting an agency's mission.

TVA OIG'S COMMITMENT TO WHISTLEBLOWER PROTECTION

The TVA OIG views whistleblower disclosures as an important source of organizational insight. Employees closest to the work are often best positioned to identify emerging risks, operational vulnerabilities, safety concerns, and opportunities for improvement.

By encouraging reporting and protecting those who raise concerns, TVA strengthens its ability to fulfill its mission and protect what powers tomorrow.

The TVA OIG has long recognized the importance of providing safe and credible avenues for reporting concerns. In the mid-1980s, TVA was facing unrelenting scrutiny regarding its nuclear program. TVA's nuclear program issues ultimately led to the shutdown of all its nuclear operating plants, the cancellation of three unfinished plants, and deferred construction on two other plants. A high volume of employee complaints regarding hostile work environments, nuclear safety problems, and retaliatory action from management for raising concerns filed with the U.S. Nuclear Regulatory Commission, U.S. Department of Labor, and other avenues led to the TVA Board of Directors' decision to establish the TVA OIG in 1985. One of the first priorities was investigating the thousands of complaints that had been filed by employees.

Throughout its history, the TVA OIG has maintained a strong focus on employee concerns, organizational accountability, and independent oversight. Since its establishment, the office has worked to ensure employees and contractors have access to trusted reporting channels and that allegations are evaluated professionally, objectively, and in a timely manner. In addition to investigating whistleblower allegations, the OIG has added more preventative initiatives at different times, such as (1) surveying nuclear employee's willingness to raise safety concerns or raise differing opinions without fear of retaliation and (2) conducting organizational effectiveness reviews that includes interviews with a majority of the employees to gauge cultural health.

The TVA OIG's hotline, EmPowerline, serves as an important reporting mechanism for employees, contractors, and members of the public. Over the years, information provided through hotline complaints, employee disclosures, and contractor reports has contributed to significant audits, evaluations, and investigations involving fraud, waste, abuse, operational weaknesses, and safety concerns.

The TVA OIG also maintains a Whistleblower Protection Coordinator program to educate employees about whistleblower rights, reporting options, and protections against retaliation. Education remains essential because employees cannot effectively exercise rights they do not understand.

PROTECTING THOSE WHO REPORT CONCERNS

Federal law provides important protections for employees who make protected disclosures in good faith. An employee does not have to prove wrongdoing before reporting a concern. Rather, the employee must have a reasonable belief that the information suggests misconduct, waste, abuse, mismanagement, or a threat to public safety. Even when an investigation ultimately does not substantiate an allegation, an employee's protected disclosure remains protected when made in good faith.

Retaliation can take many forms, including demotions, suspensions, adverse personnel actions, unfavorable reassignment decisions, or other actions taken because an employee reported a concern or cooperated with an authorized investigation. Federal whistleblower protection laws, together with oversight organizations such as the U.S. Office of Special Counsel and Inspectors General, help ensure employees can raise concerns without sacrificing their careers.

Protecting whistleblowers is not simply about protecting individuals. It is about protecting an organization's ability to identify and address problems before they become larger failures. An organization that welcomes good-faith reporting is better equipped to improve performance, strengthen controls, and maintain public trust.

ACCOUNTABILITY BENEFITS EVERYONE

Whistleblower programs and Offices of Inspector General are sometimes mistakenly viewed as adversarial to management. In reality, effective oversight benefits the entire organization.

- Whistleblowers provide information.
- Inspectors General establish facts.
- Management implements corrective action.
- Congress conducts oversight.

The public benefits from a government that operates more effectively, efficiently, and transparently.

Accountability is not merely about identifying problems after they occur. At its best, oversight helps organizations anticipate risks, strengthen performance, and continuously improve. Every hotline complaint, audit recommendation, investigation, evaluation, and corrective action contributes to a stronger TVA. Together, these efforts help protect the systems, infrastructure, resources, and public trust that power the future of the Tennessee Valley.

CONCLUSION

Strong whistleblower protections and strong Offices of Inspector General reinforce a fundamental principle of public service—accountability is a strength.

Employees who speak up in good faith provide valuable information that helps organizations identify risks, address concerns, and improve performance. Independent oversight ensures those concerns are evaluated objectively and fairly.

For TVA, Congress, and the public we serve, the partnership between whistleblowers, management, and independent oversight helps safeguard public resources, strengthen organizational integrity, and protect what powers tomorrow.

EXECUTIVE OVERVIEW



TVA is navigating a variety of demanding challenges and opportunities as it fulfills its mission with evolving demands across both the Valley and nation. Work is underway to build new generation assets to expand system capacity and meet growing regional energy demand amid financial pressures, supply chain constraints, and the rising cost of modernizing TVA's infrastructure. Beyond proven generation assets, TVA is taking a leadership role in advancing nuclear innovation with its recent small modular reactor construction permit. As data centers continue to expand in the Valley, TVA changed its electricity rate structure to add rates for data centers to ensure rate fairness for all customers. The TVA OIG strengthens TVA's path to success by providing independent oversight, promoting effective and efficient operations, and preventing and detecting fraud, waste, and abuse.

AUDITS

Our audit organization includes three departments that focus on contract audits, financial and operational audits, and information technology (IT) audits. During this reporting period, these teams completed 15 audits with seven contract compliance audits with approved expenditures totaling $221.9 million and identified potential overbillings of more than $6.9 million.

Contract Audits

We completed seven compliance audits of contracts with approved expenditures totaling $221.9 million related to (1) nuclear steam supply system refueling and inspection services, (2) valley-wide engineering services, (3) work in connection with the construction permit application for deployment of a small nuclear reactor at TVA's Clinch River Nuclear site, (4) cooling tower fill repair at TVA's Watts Bar Nuclear Plant, (5) administration of a demand response program, (6) coal combustion residual engineering services, and (7) below grade inspection, maintenance, and repair of electrical transmission structures. These audits identified potential overbillings of more than $6.9 million. The Contract Audits section begins on page 19 of this report.

Financial and Operational Audits

With a focus on financial reporting, compliance with applicable laws and regulations, and TVA operations, we completed four audits related to TVA's (1) risk mitigation actions to support workforce readiness and availability risk, (2) management of its fast charge network program, (3) asset retirement obligations, and (4) nuclear staff augmentation contractor qualifications. In addition to our audit work, we monitored the quarterly work performed by TVA's external auditors. The Financial and Operational Audits section begins on page 21 of this report.

IT Audits

IT Audits completed four audits during the semiannual period. These included audits of TVA's (1) system access security in Gas Operations, (2) privacy impact assessments for cloud systems and programs, (3) information security program as required by the Federal Information Security Modernization Act of 2014, and (4) lost or stolen IT assets. The IT Audits section begins on page 24 of this report.



EVALUATIONS

Our Evaluations organization includes two groups, one of which focuses on TVA operations and one on project management processes. During this reporting period, our teams completed 14 evaluations that identified more than $38.9 million in questioned costs and funds to be put to better use.

Evaluations – Operations

The Evaluations – Operations group completed ten evaluations during this semiannual period. These included evaluations of TVA's (1) renewable energy certificates to meet North Carolina requirements, (2) risk mitigation of low-pressure turbines and original equipment manufacturer reliance,[1] (3) contractor rework in Major Projects and Nuclear organizations,[2] (4) condition of coal plant assets, (5) nuclear fatigue rule at Sequoyah Nuclear Plant, (6) nuclear spent fuel management, (7) cost recovery for external work performed by the Power Service Shop, and (8) procurement of long-lead materials for Transmission. The Evaluations – Operations section begins on page 27 of this report.

Evaluations – Projects

The Evaluations – Projects group completed four evaluations during this semiannual period. The Evaluations – Projects group completed evaluations of the (1) Strategic Fiber Program, (2) Watts Bar Nuclear Plant vendor selection process, (3) Allen Aeroderivative Combustion Turbines (CT), and (4) Johnsonville Aeroderivative CT project. The Evaluations – Projects section begins on page 32 of this report.

INVESTIGATIONS

During this reporting period, we opened 89 cases and closed 85. Our Investigations resulted in one conviction, one information, and restitution, recoveries, fines, and fees totaling more than $1.1 million to TVA or other agencies. The Investigations section begins on page 36 of this report.

STATISTICAL HIGHLIGHTS

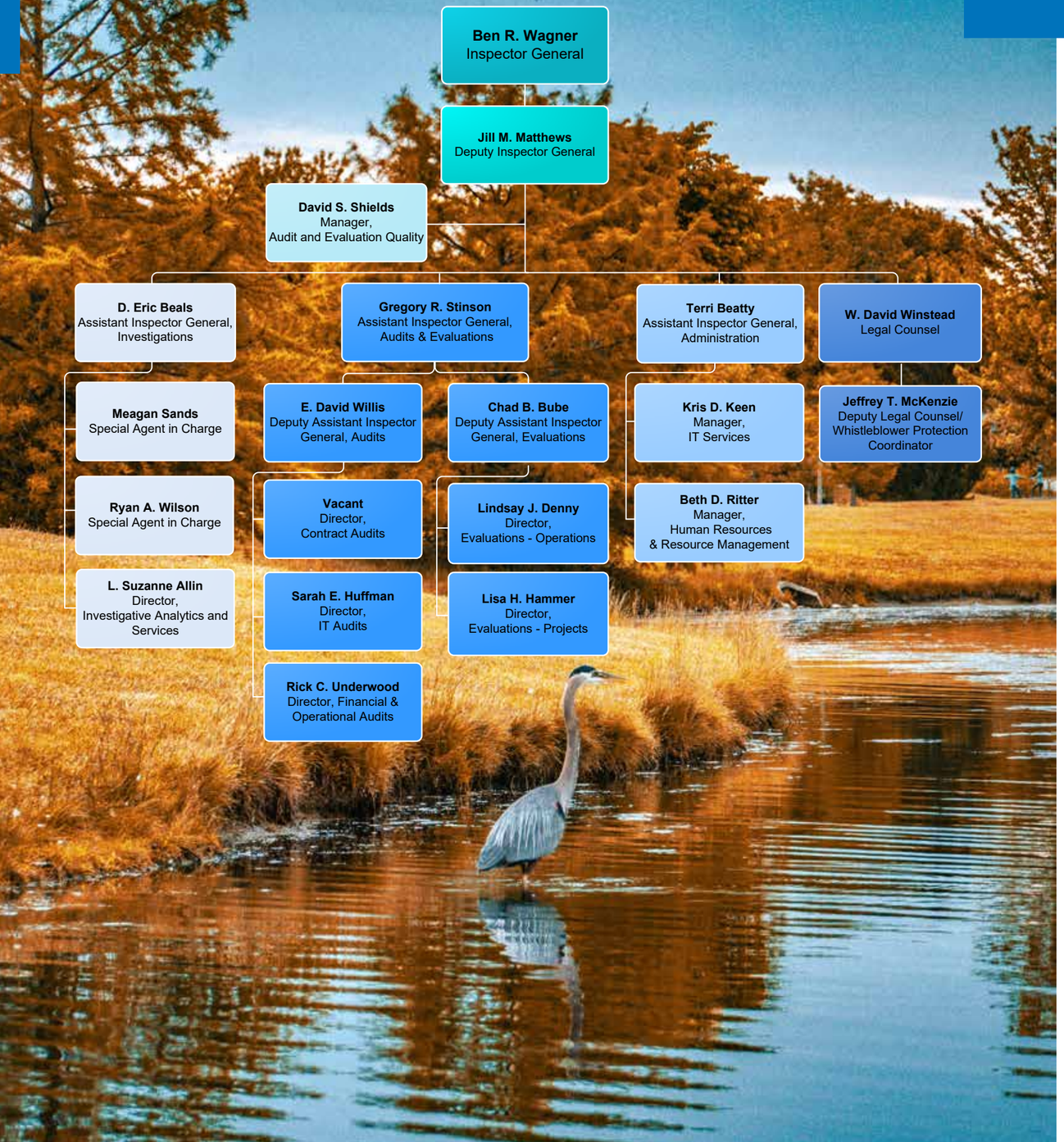
April 1, 2026 - September 30, 2026

Audit Reports Issued	15
Evaluations Issued	14
Questioned Costs	$38,165,815
Questioned Costs Agreed to by TVA	$23,765,716
Questioned Costs Recovered by TVA	$112,312
Funds to be Put to Better Use	$7,662,220
Savings Realized by TVA	$12,085,417
Investigations Opened	89
Investigations Closed	85
Recoveries/Fees/Savings	$1,169,386
Waste/Other Monetary Loss	$351,610
Criminal Forfeiture Ordered	0
Civil Forfeiture Ordered	0
Criminal Actions	2
Administrative Actions	24

[1] These reviews were performed as two separate evaluations.

[2] Ibid.

ORGANIZATION



Since 1985, the OIG has worked to help TVA become better. Through our audits, evaluations, and investigations, we provide TVA management, the TVA Board, and Congress with an independent look at the economy, efficiency, and effectiveness of TVA programs and help prevent and detect fraud, waste, and abuse. Over the years, the OIG has helped TVA save or recover millions of dollars and recommended numerous program improvements. We credit our success to the efforts of our hardworking and talented staff and the professional responsiveness of TVA management to our recommendations.

ADMINISTRATION

The Administration team works closely with the Inspector General (IG), Deputy IG, and Assistant IGs to support the day-to-day operations of the OIG and to develop policies and procedures designed to drive and enhance productivity, quality, and compliance, all of which help achieve office goals. Responsibilities include personnel administration, budget and financial management, purchasing and contract services, facilities coordination, training-event coordination, strategic planning, communications facilitation, and IT support.

AUDITS AND EVALUATIONS

The Audits and Evaluations teams perform a wide variety of engagements designed to promote positive change and provide assurance to TVA stakeholders. Based upon the results of these engagements, the Audits and Evaluations teams make recommendations to enhance the effectiveness and efficiency of TVA programs and operations and save or recover money.

The organizations use an impact- and risk-based approach to develop an annual work plan. In developing the plan, the OIG considers TVA's strategic plans, major management challenges, TVA's enterprise risk management process, and other input from TVA management. This planning model also evaluates each potential engagement from the standpoint of materiality (i.e., costs or value of assets), potential impact, sensitivity (including public and congressional interest), and the likelihood it will result in significant recommendations for cost savings, recovery of dollars, or process improvements. The result of the OIG Audits and Evaluations planning process is a focus on the issues of highest impact and risk to TVA. These issues vary depending on the objectives of the project. The graphic on page 16 shows some representative examples of issues our audit and evaluation projects are commonly designed to identify.

The Audits team conducts performance audits of TVA programs and operations, providing insight into TVA's overall fiscal and operational health. The organization is made up of three departments—Contract Audits, Financial and Operational Audits, and IT Audits. The Audits organization performs its work in accordance with *Government Auditing Standards.*

- Contract Audits has lead responsibility for contract compliance audits and preaward evaluations. In addition, this department performs audits of TVA contracting processes.

- Financial and Operational Audits is responsible for performing audit work mandated by legislation, agreed-upon procedures, and risk-based audits associated with TVA financial and operational activities. The work stems largely from mandated activities, review of TVA's business-risk environment, consideration of emerging issues, and requests. This department also provides oversight of the TVA external auditor's compliance with professional standards.

- IT Audits has lead responsibility for audits relating to the security of TVA's IT infrastructure, application controls, and general controls associated with TVA systems. This department also performs operational audits of the effectiveness of IT-related functions.

TYPES OF AUDIT & EVALUATION ISSUES

TYPE OF ISSUE	DESCRIPTION / EXAMPLES
CONTRACT AUDITS	• Inflated Proposals • Contract Overpayments • Inferior Performance • Fraud
FINANCIAL & OPERATIONAL AUDITS	• Program Inefficiencies / Ineffectiveness • Legal / Regulatory Noncompliance • Policy Noncompliance • Internal Control Deficiencies • Fraud
IT AUDITS	• Internal Control Deficiencies • Policy Noncompliance • Integrity of Data and Assets • Cybersecurity • Fraud
EVALUATIONS - OPERATIONS	• Operational Efficiency • Policy Noncompliance • Legal / Regulatory Noncompliance • Fraud
EVALUATIONS - PROJECTS	• Project Management • Contractor Performance • Contractor Waste • Fraud

The Evaluations team assesses both operational and management oversight of projects across TVA to ensure objectives and operational functions are achieved effectively and efficiently. This organization is made up of two departments—one focusing on TVA operations and one on project management and oversight. This organization performs its work in accordance with *Quality Standards for Inspection and Evaluation* as prescribed by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

- Evaluations – Operations performs both comprehensive reviews and more limited-scope policy and program reviews to monitor compliance and assess the efficiency and effectiveness of operations.

- Evaluations – Projects performs risk-based evaluations focusing on the effectiveness and efficiency of project management.

INVESTIGATIONS

The Investigations team focuses on proactive and reactive efforts to uncover fraud, waste, and abuse in TVA programs and operations. This organization performs its investigations in accordance with the *Quality Standards for Investigations* as prescribed by the CIGIE, applicable United States (U.S.) Attorney General Guidelines, and other guiding documents. OIG special agents maintain liaisons with federal and state prosecutors and notify the U.S. Department of Justice whenever the OIG has reason to believe there has been a violation of federal criminal law. Special agents partner with other investigative agencies and organizations on special projects and assignments, including interagency law enforcement task forces on terrorism, the environment, healthcare, and program fraud. The graphic on page 17 shows the major categories of investigations.

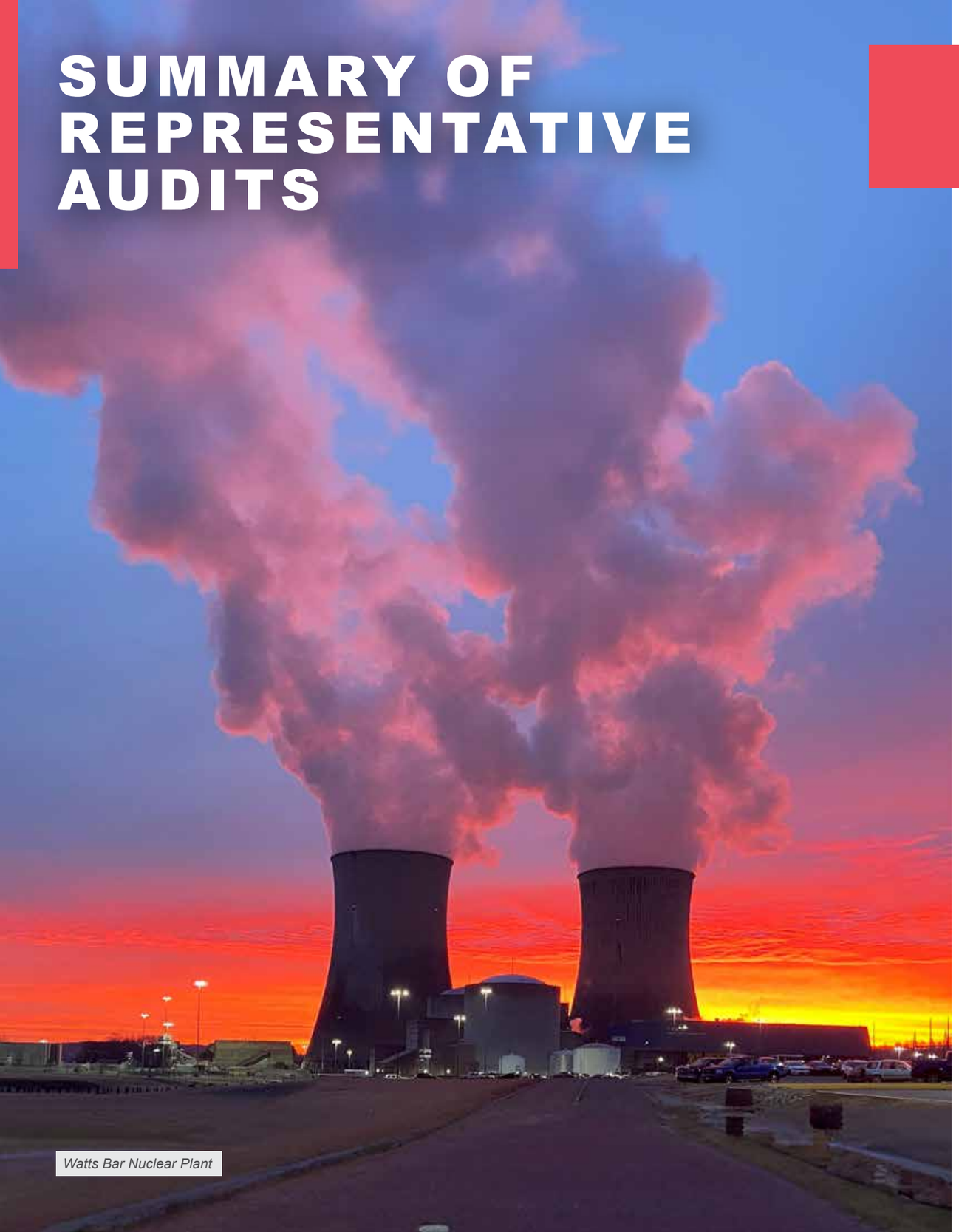
LEGAL

The OIG Legal Counsel team monitors existing and proposed legislation and regulations that relate to the mandate, operations, and programs of the OIG and TVA. Additionally, this team provides legal advice as needed for administrative, audit, evaluation, and investigative projects. OIG attorneys serve as ethics officials, providing OIG employees guidance on government ethics and standards of conduct. The TVA Whistleblower Protection Coordinator is also a part of this team and provides information regarding the statutory protections against retaliation for all TVA employees.

MAJOR CATEGORIES OF INVESTIGATIONS

TYPE OF INVESTIGATION	DESCRIPTION / EXAMPLES
EMPLOYEE MISCONDUCT	Misuse of TVA-furnished equipment, travel voucher fraud, a multitude of miscellaneous matters of abuse, conflict of interest, and violations of code of conduct
ENVIRONMENTAL CRIME	Violations of environmental criminal law pertaining to the Tennessee River system and its watershed, along with violations relating to TVA land and facilities
HEALTHCARE FRAUD	Intentional misrepresentation of healthcare services, expenses, billings, needs, or coverage that results in unauthorized payments or other benefits
CONTRACT FRAUD	Defrauding TVA through its procurement of goods and services, including fraud schemes such as misrepresenting costs, overbilling, product substitution, and falsification of work certifications
WORKERS' COMPENSATION FRAUD	Falsification of documents to receive payments by employees, former employees, or healthcare providers
THEFT OF GOVERNMENT PROPERTY AND SERVICES	Theft of TVA property such as material, tools, equipment, or resources
UNAUTHORIZED ACCESS INTO TVA COMPUTER SYSTEMS	Accessing a TVA computer without authorization or exceeding authorized access
SPECIAL PROJECTS	Management requests, data mining and predictive analysis, congressional and TVA Board requests, and Fraud Risk Assessments

SUMMARY OF REPRESENTATIVE AUDITS



Watts Bar Nuclear Plant

During this semiannual reporting period, the TVA OIG audit organization completed 15 audits, including seven contract compliance audits with approved expenditures totaling $221.9 million and identified potential overbillings of more than $6.9 million. We also identified several opportunities for TVA to improve the effectiveness and efficiency of its programs and operations.

CONTRACT AUDITS

In this period of construction, oversight of contractors is more critical than ever. In FY 2025, TVA spent about $6.8 billion on contracts primarily for labor, services, materials, and equipment. During this semiannual period, we completed seven compliance audits of contracts with approved expenditures totaling $221.9 million. These audits identified potential overbillings and excessive payments of more than $6.9 million. Highlights of our completed compliance audits follow.

- We audited $42.5 million in costs billed by a contractor for nuclear steam supply system refueling and inspection services at TVA's Watts Bar Nuclear Plant and Sequoyah Nuclear Plant. In summary, we determined the contractor overbilled TVA $1,386,951, including (1) $787,862 in overbilled subcontractor, travel and living, labor, and equipment costs; (2) $136,411 for performance fee not earned; (3) $130,383 due to provisional escalation costs that were not trued-up to actual; (4) $322,397 in unsupported costs; and (5) $9,898 in invoice and payment errors.

  TVA management agreed with the findings and stated they will take action to recover the $1,386,951 in overbilled costs, unless the contractor can provide TVA with documentation for the costs that were unsupported.

- We audited $33.2 million in costs billed by a contractor for a broad range of engineering, design, and construction management support services. In summary, we determined the contractor overbilled TVA an estimated $33,595, including (1) $14,079 in unsupported and overbilled travel and temporary living allowance costs, (2) $13,764 in invoice and payment errors, (3) a net $3,632 in performance fee credits, and (4) $2,120 in labor costs. In addition, we identified opportunities for TVA to improve the administration of the contract. Specifically, (1) the contract was unclear on how the contractor was to bill temporary employees it received from staffing agencies and (2) TVA did not evaluate fee for all tasks greater than $50,000, as required by the contract.

  TVA management agreed with the findings and stated they will seek to recover the $33,595 in overbilled costs, unless the contractor can provide TVA with documentation for the temporary living allowance costs that were unsupported. TVA management also agreed with the contract administration findings and stated they will incorporate changes into future contract documents and contract administration practices.

- We audited $31.6 million in costs billed by a contractor for services in connection with the construction permit application for deployment of a small modular reactor at the TVA Clinch River Nuclear site. In summary, we determined the contractor did not bill subcontractor costs in accordance with the contract terms. During our audit period, the contractor billed TVA $9,883,052 in subcontractor labor costs. Our review of $3,096,220 in subcontractor costs determined the contractor billed TVA up to $1,045,859 in excessive costs because it billed for subcontractors using the contractor's time and material rates rather than the actual costs and markups, as required by the contract. For the remaining subcontractor costs not reviewed, we estimated the contractor may have billed an additional $2.3 million in excessive costs because it billed TVA for subcontractors using the contractor's time and material rates. Additionally, we determined the contractor overbilled TVA a net $7,700 in other costs, including

(1) an overbilling of $14,626 due to unauthorized costs that were not appropriately credited to TVA and (2) an underbilling of $6,926 in labor costs.

TVA management agreed with our recommendations and stated it would (1) pursue recovery of the $1,053,559 in overbilled costs and (2) require the contractor to identify the actual costs incurred for the remaining subcontractor labor costs billed and recover any additional excessive costs.

- We audited $18.4 million in costs billed by a contractor for services related to cooling tower fill repair at Watts Bar Nuclear Plant Unit 1. In summary, we determined the contractor overbilled TVA $9,860 in labor costs. In addition, we noted opportunities to improve contract administration by TVA. Specifically, (1) material costs could not be verified because the contract did not contain the contractor's standard material pricing schedules, (2) the contract did not specify how freight costs were to be billed, and (3) TVA could not provide support that it evaluated the contractor's eligibility for performance incentives based on the contract's criteria.

  TVA management agreed with the findings and stated they will take action to recover $9,860 in overbilled labor costs. Additionally, TVA management stated that the contract for this project has concluded, but in future contracts they will (1) incorporate specific pricing for materials, (2) specify that freight will be billed at cost for the vendor and not at estimated initial pricing, and (3) reinforce with TVA business units that the evaluation of eligibility for performance incentives is properly documented.

- We audited $11.7 million in costs billed by a contractor for the administration of a TVA demand response (DR) program. TVA DR programs offer incentives for electric utility customers to reduce their energy use during peak demand, which reduces the need for generation and helps support the reliability of the local electric grid. In summary, we determined the contractor overbilled TVA $675,096. Specifically, the contractor overbilled $665,863 in costs due to (1) miscalculation of capacity payments for DR program events, (2) lack of reductions in nominated capacity amounts to address prior underperformance, and (3) miscalculation of a capacity performance adjustment. In addition, the contractor overbilled $9,233 in energy costs due to incorrect energy payments and energy cost reductions for event underperformance.

  TVA management agreed with the recommendations and stated actions have been or will be taken to address the recommendations, including (1) exploring the recovery of overbilled costs, both within the audit period and since, (2) verifying monthly billings to ensure accuracy, (3) ensuring nominated values are tracked and adjusted if needed, and (4) performing program audits as needed to ensure nominated values are accurate.

- We audited $69.4 million in costs billed by a contractor under two contracts for coal combustion residual engineering services. In summary, we determined the contractor overbilled TVA $23,326, including (1) $11,897 for ineligible equipment, (2) $6,368 for incorrect drilling unit rates, and (3) $5,061 in labor costs. In addition, we determined that including minimum and maximum time and material labor billing rate ranges in the pricing schedule allowed the contractor to charge excessive labor rates, resulting in $285,253 in overbilled costs.

  TVA management agreed with the recommendations related to ineligible equipment, overbilled drilling costs, and overbilled labor costs, and stated they will begin discussion to recover the overbilled costs, totaling $23,326. However, TVA management only partially agreed with the findings and recommendations related to excessive time and material labor billing rates. Specifically, TVA management agreed to begin negotiations with the contractor to establish a single fixed time and material billing rate for each labor classification and incorporate those rates into the contract, but TVA management did not agree with the recommendation to recover excess labor costs.

- We audited $15.2 million in costs billed by a contractor for below grade inspection, maintenance, and repair of electrical transmission structures on the TVA system. In summary, we determined the contractor billed TVA $1,152,839 in unsupported and ineligible costs, including (1) $1,027,664 in daily crew rates in which the contractor could not provide documentation supporting the number of crews billed each day or the number of workers to meet the crew composition requirements; (2) $9,522 in labor costs in which the contractor could not provide documentation supporting the labor hours billed; and (3) $115,653 in ineligible markups on material costs.

  TVA management agreed with the findings and stated they will take action to attempt to recover the unsupported and ineligible costs.

FINANCIAL AND OPERATIONAL AUDITS

Our Financial and Operational Audits team focuses on our mandated responsibility to provide oversight of work performed by TVA's external auditor as well as performing reviews of corporate-related functions. During this semiannual period, Financial and Operational Audits completed four audits related to (1) risk mitigation actions to support workforce readiness and availability risk, (2) management of TVA's fast charge network program, (3) asset retirement obligations, and (4) nuclear staff augmentation contractor qualifications. We also monitored the quarterly work performed by TVA's external auditors.

Risk Mitigation Actions to Support Workforce Readiness and Availability

TVA's Enterprise Risk Management (ERM) business unit focuses on identifying and prioritizing enterprise risks. Annually, ERM leads the preparation of an enterprise risk portfolio, which includes risks across TVA, to aid leadership in strategic and business planning processes. Each business unit includes their specific risks in the portfolio and documents the probability of occurrence, financial impact, and actions to manage the risk. TVA Labor Relations included Lack of Robust Pathways and Pipelines to Support Workforce Readiness and Availability risk in the FY 2025 ERM risk portfolio. The risk description stated, "Failure to take swift and strategic action to develop and execute a comprehensive and holistic workforce strategy could result in our inability to take on new projects, innovate sustainable technology, and continue to deliver on TVA's mission." The actions to address the risk included apprentice recruitment and utilization measures, the establishment of a workforce development team and portal, and an hourly layoff process. Due to the importance of workforce readiness and availability, we conducted an audit to determine if TVA was taking planned actions and measuring the impact of completed actions.

We determined TVA has taken actions to address the workforce readiness risk. TVA Labor Relations has completed 13 of 14 mitigating actions identified for this risk. However, TVA was not effectively measuring the impact of completed actions on the risk's probability of occurrence and financial impact. In addition, some risk information was not documented accurately.

TVA management agreed with our recommendations and provided planned actions to (1) develop measures to evaluate the impact of completed actions on the risk's probability of occurrence and financial impact and (2) correctly document the risk information.



Fast Charge Network Program

TVA entered a partnership with state agencies, local power companies (LPCs), and third-party developers to create a foundational network of publicly available electric vehicle (EV) fast-charging stations in its seven-state region. The Fast Charge Network (FCN) program was designed to support installation of fast charging stations at least every 50 miles along interstates and major highways in the Tennessee Valley.

Through the FCN program, TVA typically reimburses LPCs up to 80 percent of the costs for eligible EV charging infrastructure. The maximum dollar amount of eligible project costs reimbursable by TVA is determined by the technical specifications of the individual charging sites. Reimbursement of TVA's portion of eligible project costs is made following charging site completion, commissioning, and submission of supporting documentation for costs incurred. Additionally, LPCs are required to submit an environmental review checklist for review and approval by TVA before any construction activities begin. This process is performed to ensure EV charging stations are developed with minimal impact on the surrounding environment. Upon approval, TVA reimburses the LPC by applying a credit to its monthly wholesale power bill.

We performed an audit of the FCN program due to the level of expenditures associated with TVA's EV infrastructure expansion efforts. Our audit objectives were to determine if (1) adequate controls were in place over credits provided to LPCs for EV charging stations installed under the FCN program and (2) FCN program credits were issued in compliance with TVA policies and procedures. Our audit scope included the 52 charging sites that were operational and fully reimbursed as of November 30, 2025. TVA's costs for these charging sites totaled approximately $16.3 million.

We determined that, overall, adequate controls were in place over credits provided to LPCs for EV charging stations installed under the FCN program, and FCN program credits were issued in accordance with policies and procedures. We identified three key controls performed by TVA. Specifically, (1) review and approval of the site environmental review checklist submitted by the LPC prior to the beginning of construction; (2) review and approval of LPC reimbursement requests and supporting documentation for eligible costs incurred; and (3) initiation of LPC billing credits for completed FCN projects following review and approval of the reimbursement requests. We determined these key internal controls were operating effectively. However, the key control related to TVA's required review and approval of the environmental review checklist for proposed charging sites was not performed for 3 of 52 projects.

TVA management agreed with our recommendation and provided actions taken and planned to verify that environmental review checklists are reviewed and approved for the remaining FCN projects.



Asset Retirement Obligations

According to Title 10 of the Code of Federal Regulations, Section 50.75 (10 CFR § 50.75), nuclear licensees that operate nuclear facilities will provide reasonable assurance that funds will be available for the decommissioning of its licensed nuclear units and provides guidance for a minimum funding amount for the decommissioning. TVA established its Nuclear Decommissioning Trust (NDT) to be used to retire long-lived nuclear assets. Additionally, TVA established an Asset Retirement Trust (ART) to cover any additional decommissioning costs not covered by the minimum required funding of the NDT. The ART can also be used to cover decommissioning costs of nonnuclear long-lived assets. As of December 31, 2025, the investment assets of these two trusts totaled about $5.6 billion ($3.8 billion for the NDT and $1.8 billion for ART). Due to the critical importance of managing asset retirement obligations for accurate financial reporting, regulatory compliance, and ensuring sufficient funds are available for the substantial costs associated with retiring long-lived assets, we conducted an audit to evaluate the operational effectiveness of controls for managing the NDT and ART.

We identified eight key controls related to the administration of the NDT and ART in the following categories: (1) analysis of funding levels and projected liabilities, (2) investment manager performance evaluation, and (3) investment asset valuation. We determined the eight key controls tested were operating effectively as intended.

Nuclear Staff Augmentation Contractor Qualifications

TVA utilizes staff augmentation contractors to supplement its workforce. Staff augmentation contractors are provided to TVA through staff augmentation vendors and are under the supervision of a TVA manager or supervisor. Staff augmentation vendors are required to provide contractors that meet qualification requirements.

As of January 7, 2026, TVA had 333 active Nuclear noncraft staff augmentation personnel. Due to the importance of having qualified contractors, we performed an audit of TVA's Nuclear organization contractor qualifications. Our audit objective was to determine if contractors (vendors) are providing personnel that meet qualification requirements.

We reviewed resumes, job descriptions, and vendor-provided documentation and determined vendors did not always provide personnel that met qualification requirements. Specifically, we compared resumes and job descriptions for 113 of 333 active Nuclear noncraft staff augmentation personnel and determined (1) 43 met qualification requirements and (2) 6 did not meet qualification requirements. In addition, we could not make a determination on 64 personnel because documentation was insufficient. We also determined some vendors did not comply with contractual requirements related to verifying educational credentials and contacting two references prior to providing personnel to TVA.

TVA management agreed with our recommendations and provided actions planned or taken to (1) review the personnel that we could not verify were qualified and make a determinination on each individual's qualifications to perform the job; (2) ensure (a) the contractor talent portal contains resumes before candidates are sent to hiring managers for review and (b) job descriptions contain clear qualifications; (3) ensure resumes are properly reviewed and compared to job description qualifications before

personnel are made available for hiring manager review; and (4) verify TVA Nuclear staff augmentation noncraft vendors comply with the performance requirements in their contracts.

IT AUDITS

During this semiannual period, IT Audits completed audits of TVA's (1) system access security in Gas Operations, (2) privacy impact assessments for cloud systems and programs, (3) information security program as required by the Federal Information Security Modernization Act (FISMA) of 2014, and (4) lost or stolen IT assets. For the first two summaries that follow, specifics are being withheld from public release due to their sensitive nature in relation to TVA's cybersecurity.

System Access Security - Gas Operations

Due to the importance of protecting operational technology from cybersecurity threats, we audited the security of a specific type of system access at TVA gas sites. Our objective was to determine if a specific type of system access supporting Gas Operations was securely configured and monitored to mitigate cybersecurity threats. We made eight recommendations to TVA management. TVA management agreed with seven of the recommendations and provided planned actions. For the remaining recommendation, TVA management agreed to take an alternative action to address the identified issue. We agreed with management's alternative action.

Privacy Impact Assessments for Cloud Systems and Programs

Due to the risks associated with personally identifiable information, we conducted an audit of TVA's privacy impact assessment process for cloud systems and programs. Our objective was to determine if TVA had completed privacy impact assessments for cloud systems and programs in accordance with TVA policy and federal guidance. We made two recommendations, each of which TVA management agreed with and provided planned actions.

Federal Information Security Modernization Act

FISMA requires each agency's IG to conduct an annual independent evaluation to determine the effectiveness of the information security program (ISP) and practices of its respective agency. The FISMA methodology considers metrics at a level 4 (managed and measurable) or higher to be at an effective level of security. Our audit scope was limited to the IG metrics for FY 2026, which included 20 core and 5 supplemental metrics. Each metric was assessed to determine its maturity level based on FISMA guidance.

Based on our analysis of the IG metrics and associated maturity models, we determined TVA's ISP and practices were operating in an effective manner for FY 2026 as defined by the IG FISMA Reporting Metrics. However, we identified areas for improvement in both the core and supplemental metrics to further improve TVA's ISP and practices.

TVA management agreed with our recommendations to (1) develop information system inventory and system interconnections, (2) manage software assets, (3) consistently implement flaw remediation processes, and (4) implement personally identifiable information (PII) security control.

Lost or Stolen Information Technology Assets

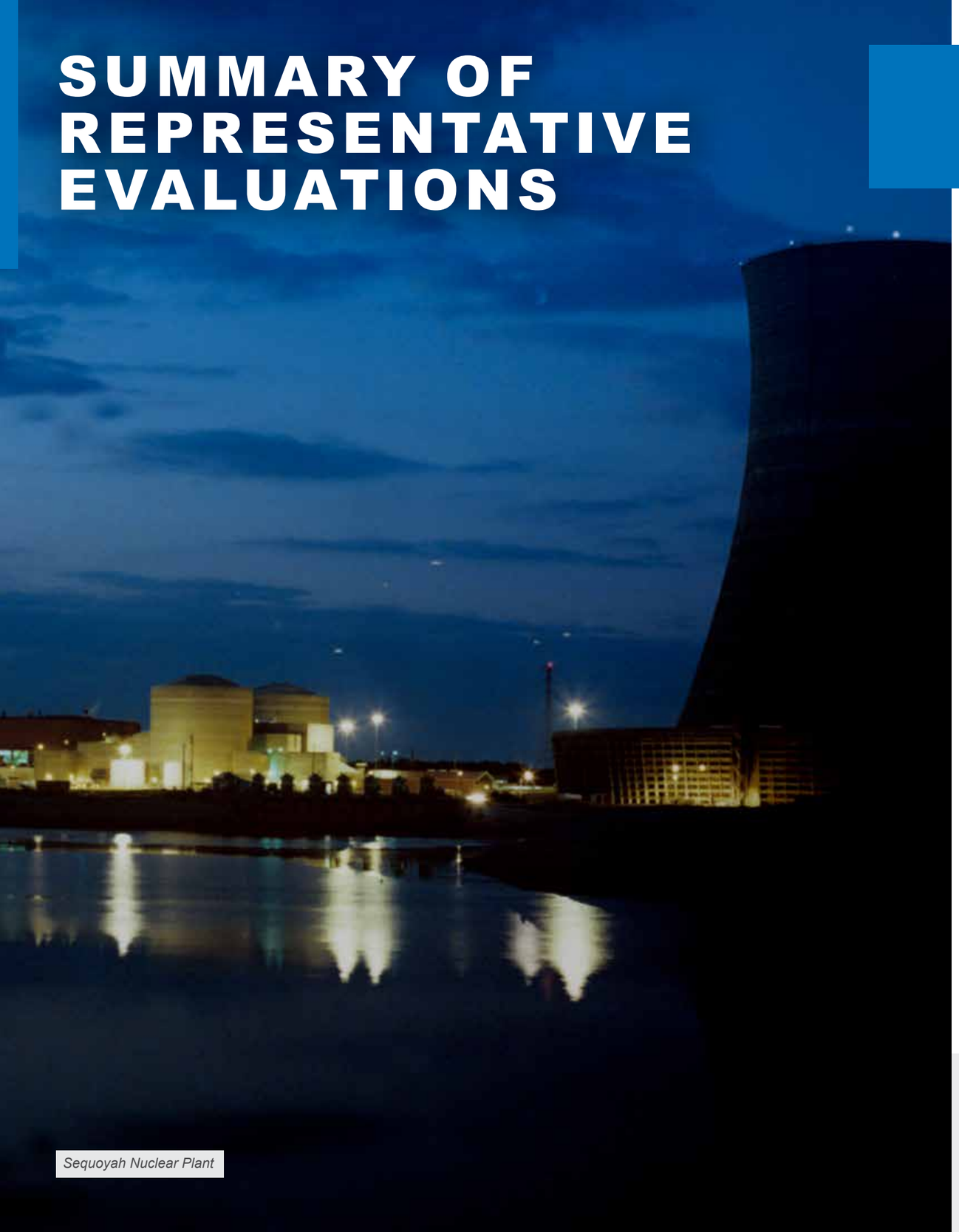
Due to the risks associated with lost or stolen devices, we conducted an audit to determine if TVA follows policies, procedures, and federal guidance for lost or stolen devices. The scope of our audit included devices managed by TVA's IT organization that were categorized as lost or stolen within TVA's asset management system as of July 10, 2025. Of the 23,518 computers and 9,017 handheld devices in the IT asset management system, 267 (236 computers and 31 handheld devices) were categorized as lost or stolen.

We determined TVA did not comply with federal requirements because at least 127 of 267 lost or stolen devices were not reported to Cybersecurity and Infrastructure Security Agency. We were unable to determine if an additional 98 devices were reported due to incomplete records. We also determined TVA did not follow policies and procedures related to lost or stolen IT assets. Specifically, TVA did not (1) complete its incident action plans for most lost or stolen devices and (2) always complete its asset verification process in a timely manner. In addition, we determined that TVA controls related to lost or stolen devices were appropriately designed in accordance with federal guidelines. However, based on the policies and procedures not being consistently followed, we determined they were not effectively implemented. Specifically, we found controls TVA had in place to address the risk of unauthorized information disclosure from lost or stolen devices were not implemented consistently, including (1) remote-wipe capabilities and (2) encryption.

We made five recommendations to TVA management to report lost or stolen devices in accordance with federal reporting guidelines, increase adherence to internal policies and procedures for handling lost or stolen devices, update processes to ensure timely completion of asset verification, and consistently implement controls for remote management capabilities and device encryption where technically feasible.



SUMMARY OF REPRESENTATIVE EVALUATIONS



Sequoyah Nuclear Plant

Evaluations performs both comprehensive reviews and more limited-scope policy and program reviews to monitor compliance and assess the efficiency and effectiveness of operations. During this reporting period, our teams completed 14 evaluations that identified more than $38.9 million in questioned costs and funds to be put to better use.

EVALUATIONS – OPERATIONS

The Evaluations – Operations group provides independent insight across the full breadth of TVA's operations, examining performance and risk across TVA's diverse generating portfolio which includes hydroelectric dams, nuclear, gas, and coal plants—as well as the extensive transmission network. The team assesses how effectively TVA manages programs that impact operations, reliability, and safety. During this semiannual reporting period, Evaluations – Operations completed ten evaluations, including reviews of TVA's (1) renewable energy certificates to meet North Carolina requirements, (2) risk mitigation of low-pressure turbines and original equipment manufacturer reliance,[3] (3) contractor rework in Major Projects and Nuclear organizations,[4] (4) condition of coal plant assets, (5) nuclear fatigue rule at Sequoyah Nuclear Plant, (6) nuclear spent fuel management, (7) cost recovery for external work performed by the Power Service Shop, and (8) procurement of long-lead materials for Transmission.

Renewable Energy Certificates to Meet North Carolina Requirements

On October 10, 2023, the North Carolina General Assembly enacted the Clean Energy and Energy Efficiency Portfolio Standard (CEPS) requiring rural electric cooperatives and municipal electric suppliers in North Carolina to meet 10 percent of their energy needs through clean energy resources or energy efficiency measures. Additionally, North Carolina CEPS requires a percentage of retail sales be attributed to solar, poultry, and swine resources. TVA's renewable energy certificates (REC[5]) portfolio management process includes obtaining and retiring RECs to meet the requirements set forth in CEPS on behalf of its four LPCs in the state. By September 1 of each year, TVA is required to file an annual compliance report for the prior year. Also, at that time, TVA files its compliance plans for the calendar year in which the plan is filed and the following 2 years. Due to increased power demand from data centers in North Carolina, we performed an evaluation to determine if TVA had adequate RECs to meet regulatory requirements in North Carolina for LPCs.

We found that TVA appropriately retired enough RECs to achieve compliance with North Carolina CEPS in 2024 and had enough RECs to meet the general, solar, and swine requirements for compliance year 2025. However, there is a risk that TVA will not be able to meet the poultry requirement for 2025. TVA has taken action to reduce this risk by submitting a request for offers in 2025 to purchase poultry RECs. Additionally, our review of the 2024 CEPS Compliance Report identified an understatement of RECs to be carried forward for use in future years.

TVA management provided planned actions to address our recommendations to explore options for filing an amended return to correct the understatement of RECs to be carried forward and take steps to ensure the accuracy of the information provided in compliance reports.

[3] These reviews were performed as two separate evaluations.

[4] Ibid.

[5] RECs are market-based instruments that represent the property rights to the environmental, social, and other nonpower attributes of renewable electricity generation. A REC is issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.

Risk Mitigation

TVA's Enterprise Risk Management (ERM) business unit (BU) focuses on identifying and prioritizing enterprise risks. Annually, ERM leads the preparation of an enterprise risk portfolio, which includes risks across TVA, to aid leadership in strategic and business planning processes. Each BU includes their specific risks in the portfolio and documents the probability of occurrence, financial impact, and actions to manage the risk. TVA included (1) Asset/Equipment Failure – Low-Pressure Turbines risk in FY 2025 ERM risk portfolio and (2) Original Equipment Manufacturer (OEM) reliance risk in its FY 2026 ERM risk portfolio. Due to the importance of the reliability of TVA's nuclear assets and TVA's reliance on OEMs, we performed two separate evaluations of TVA's risk mitigation efforts to determine if TVA was taking planned actions and measuring the impact of completed actions.

Low-Pressure Turbines Risk

We determined TVA has taken actions or has plans in place to address the low-pressure turbine risk. TVA Nuclear has completed 11 of 15 mitigating actions identified for the risk. The four remaining actions are expected to be completed between 2028 and 2030. However, we determined TVA was not effectively measuring the impact of (1) completed actions and (2) a change in the risk scope on the probability of occurrence and financial impact. In addition, we identified some risk information was not documented accurately.

TVA management agreed with our recommendations to (1) evaluate the probability of occurrence and financial impact of the risk to verify it was accurately reported and (2) ensure the risk information in the ERM system is accurate.

Original Equipment Manufacturer Reliance Risk

We determined that TVA is taking actions to mitigate OEM reliance risk and considers the impact of ongoing actions; however, the risk probability and impact have significantly increased since 2023, and TVA has not added any new actions to address this increase. According to ERM and Generation personnel, they meet annually to conduct risk portfolio workshops and discuss current and potential risks. During these workshops, they discuss changes to risks to determine if the probability of occurrence, financial impact, or action plans should be adjusted. Since FY 2023, the OEM reliance risk probability of occurrence increased from 30 percent to 55 percent while the financial impact rose from $100 million to $300 million. Generation personnel indicated that this increase is driven by greater use of the same OEM as the gas fleet expands. TVA's FY 2026 risk portfolio had eight action plans associated with the OEM reliance risk and all were ongoing; however, these actions do not address the cause of the increase in the probability of occurrence and financial impact, identified by management.

TVA management agreed with our recommendation and provided planned action to consider additional action plans to address the increasing probability and financial impact of the OEM reliance risk.



Kingston Fossil Plant

Contractor Rework - Major Projects and Nuclear

To meet the Tennessee Valley region's growing demand for power, TVA is investing in existing assets and new generation. In FY 2025, TVA invested more than $4.6 billion in capital investments and plans to invest $4.2 billion in FY 2026. This includes a significant investment in maintaining its nuclear fleet. For FY 2025, the TVA Board approved $257 million to support reliable operation of the seven units across TVA's three nuclear plants.

Due to potential risks to cost and schedule from rework on TVA projects, we performed two separate evaluations of contractor rework for the Major Projects and Nuclear organizations. The objectives were to evaluate TVA's oversight of contractor rework and determine if rework was being handled in accordance with contract terms and conditions. In each evaluation, we identified a lack of guidance for oversight of rework because both TVA and business unit specific project management Standard Programs and Processes (SPP) do not define rework or provide any information on how rework should be documented and tracked. Findings specific to each evaluation included:

Major Projects

We reviewed nine contracts associated with our sample of projects and identified rework was required for two projects. We determined the rework was handled in accordance with contract terms and conditions. Specifically, where defects were discovered, contractors took corrective actions to remedy the defects at their expense.

Nuclear

We reviewed nine contracts associated with our sample of projects and identified rework was required for one. We could not determine if all rework identified was handled in accordance with contract terms and conditions due to a lack of formal documentation and tracking of rework. The lack of guidance for oversight of rework contributed to the inability to determine if all rework was handled in accordance with contract terms and conditions.

TVA management agreed with our recommendation in both evaluations and provided planned actions to update the respective project management procedures to define rework and provide guidance for documenting and tracking rework.

Condition of Coal Plant Assets

TVA has four coal plants that include 24 units with a combined net capacity of 5,815 megawatts. These coal plants have operated well beyond their original book life and are among the oldest still in operation in the nation. Due to the performance and cost risks of operating an aging coal fleet, we performed an evaluation of coal plant asset condition to determine if TVA had (1) assessed the condition of assets and (2) plans in place to address degradation.

We determined that TVA did not assess the condition of some assets annually, as required. We also determined that some assets were not properly classified as critical assets in TVA's asset management system and/or tracked in the Generation Asset Health dashboard. In addition, while TVA has plans to address some asset degradation, there are several assets in poor condition without a plan for remediation.

TVA management agreed with our recommendations and provided planned actions to (1) ensure asset condition of critical assets are assessed annually, (2) ensure assets are accurately classified and tracked as required, (3) evaluate assets in poor condition without a planned project at two sites to determine if near-term actions are needed to address degradation, and (4) verify completed project plans at two sites properly address assets in poor condition.

Nuclear Fatigue Rule - Sequoyah Nuclear Plant

According to the Occupational Safety and Health Administration, worker fatigue increases the risk for illness and injuries and has been a contributing factor in several industrial disasters. TVA's Nuclear Fatigue Rule (NFR) procedure establishes requirements for managing fatigue and controlling work hours in accordance with Title 10 Code of Federal Regulations, Part 26, Subpart I, *Managing Fatigue*. The regulation has (1) a maximum average work-hour requirement for covered individuals which limits worker hours to an average of 54 hours per week while the unit is online and (2) a minimum days off requirement while the unit is in an outage.

Due to the importance of employees being able to safely and competently perform their duties, we performed an evaluation of the NFR at Sequoyah Nuclear Plant. Our objective was to determine if TVA was in compliance with the NFR at Sequoyah Nuclear Plant. Our review of sampled employee and contract employee work hours and badging records for April 1, 2025, through September 30, 2025, identified no violations of NFR work-hour limits. However, we identified opportunities for improvement related to (1) NFR work-hour tracking and (2) fatigue assessment[6] documentation.

TVA management provided planned action to reaffirm the principles for (1) work hours to be properly entered or removed from the work-hour system and (2) fatigue assessments to include all required information for trending purposes.

Nuclear Spent Fuel Management

TVA operates Browns Ferry Nuclear Plant, Sequoyah Nuclear Plant, and Watts Bar Nuclear Plant, which have a combined generating capacity to power more than 4.5 million homes and businesses. During calendar years 2024 through 2025, these three nuclear plants used about 1,410 fuel assemblies combined. After spent nuclear fuel is removed from the reactor core at each of TVA's nuclear plants, it is maintained submerged in a spent fuel pool to cool. Once TVA's spent fuel has been cooled for at least 3 years, it is eligible to be put in dry cask storage.

TVA's Nuclear Fuel Management procedure establishes requirements for nuclear fuel related activities to comply with applicable technical specifications and regulatory requirements, licensing commitments, licensing and design bases, and additional commitments made due to industry practices. These requirements include (1) quality assurance (QA) audits of spent fuel activities, (2) routine dry cask inspections, and (3) aging management surveillance programs for both the spent fuel pool and dry cask systems. Due to the safety risk and regulatory requirements associated with storage of nuclear spent fuel, we performed an evaluation to determine if TVA was complying with selected inspection and storage requirements of spent fuel.

We determined TVA complied with inspection and storage requirements for spent fuel at TVA nuclear sites except for maintaining documentation of three daily dry cask inspections. Specifically, we found that TVA (1) performed QA audits as well as daily and annual dry cask inspections as required and (2) addressed all issues identified during the audits and inspections. Additionally, TVA conducted spent fuel pool and dry cask aging management surveillance tests that showed results within required technical specifications. However, TVA could not provide documentation for three daily dry cask inspections, which are required to be maintained in accordance with TVA's regulatory-approved Nuclear Quality Assurance Program.

TVA management agreed with our recommendation and provided planned actions to reinforce the importance of maintaining inspection documentation.

[6] Fatigue assessments are face-to-face evaluations of an individual whose alertness may be impaired.



Browns Ferry Nuclear Plant

Power Service Shop Cost Recovery

TVA's Power Service Shop (PSS) performs work for internal and external customers, including mechanical, electrical, and civil work. PSS invoiced approximately $128 million for 161 projects for external customers that were closed in FYs 2024 or 2025. According to PSS, approximately 99 percent of the external revenue is received from federal customers. TVA-SPP-13.007, *Other Revenue (External Business)*, requires TVA to recover all costs for providing products/services to external customers, including organizational direct and indirect costs and TVA corporate overhead. Due to the importance of recovering expenses for external projects, we performed an evaluation to determine if PSS was recovering costs for work performed for external customers.

We determined TVA recovered most costs for work performed by the PSS for external customers; however, some project costs were not recovered. Specifically, TVA did not recover approximately $159,000, primarily due to incorrectly applying overhead rates and not recovering costs that exceeded the original purchase order/request. We identified an additional $111,000 in estimated overhead costs that were not recovered because TVA did not have a calculated overhead rate for the organizations where the employees work.

TVA management provided planned actions to address our recommendations to (1) confirm the correct overhead rate schedules are applied to projects, (2) verify all costs are recovered for projects completed for external customers, and (3) take steps to establish labor overhead rates for organizations performing work for external customers.

Procurement of Long-Lead Transmission Materials

TVA must continually invest in transmission assets to ensure reliable power delivery. In recent years, lead times for transmission materials, including some power circuit breakers and transformers, switch houses, conductors, and poles, have increased substantially. TVA's Risk Portfolio includes extended lead times as an emerging issue within supply chain and states that delayed materials could threaten timely project completion. Due to the importance of having materials and equipment available when needed, we performed an evaluation to determine if TVA was effectively managing procurement of long-lead transmission materials. We determined TVA effectively managed the procurement of long-lead transmission materials. Specifically, procurement of long-lead transmission materials did not delay the in-service date for completed

projects and had not impacted approved in-service dates for ongoing projects we reviewed. However, we determined the project management software assigns a default duration for long-lead materials that is significantly shorter than actual time frames, which could result in inaccurate project planning.

TVA management agreed with our recommendation and provided planned actions to ensure that milestone durations for procurement and delivery of long-lead materials reflect the actual lead times for those materials.

EVALUATIONS – PROJECTS

Strong project management is critical at this time in TVA history in which TVA is focused on building new generation, upgrading transmission, and extending the life of current assets to meet the growing demand in the Valley. Our Evaluations – Projects group is focused on reviews of how well TVA is managing these projects. During this semiannual reporting period, the Evaluations – Projects group completed evaluations of the (1) Strategic Fiber Program, (2) Watts Bar Nuclear Plant Vendor Selection process, (3) Allen Aeroderivative CT, and (4) Johnsonville Aeroderivative CT project.

TVA's Strategic Fiber Program

TVA utilizes its fiber optic communication infrastructure for transferring internal data and controlling much of its power system. TVA has been using a fiber network since 1988; however, over the years the network became outdated and insufficient. Due to constraints on the fiber network, in May 2017, the TVA Board approved the Strategic Fiber Initiative (SFI) with a budget of $300 million to expand TVA's fiber capacity by 3,500 miles over the course of 10 years. Program documentation stated the 3,500 miles of fiber would be installed on 31 prioritized routes. In addition, TVA planned to lease surplus fiber to external entities to help offset a portion of the operational costs. As of January 2026, the 31 routes that were originally scheduled for fiber installation had been reduced to 19 routes and mileage reduced from 3,500 to approximately 1,900 miles to stay within the $300 million budget. Due to the decrease in mileage, we initiated an evaluation of the SFI program to identify the cause(s) for the decrease in scope for the strategic fiber program.

We determined the original budget for the SFI program contained some flawed assumptions that resulted in an underestimated cost per mile. To stay within the approved $300 million budget, TVA reduced the scope of the program. Some of the flawed assumptions that contributed to cost increases (resulting in scope decreases) included (1) issues with wood poles, (2) limited use of helicopter to install the fiber, (3) increased use of contractor labor, (4) environmental requirements, and (5) outage availability. Additionally, the program has not generated the amount of revenue from leasing excess fiber capacity that was anticipated.

TVA management agreed with our recommendations related to (1) implementing lessons learned from the SFI program, (2) ensuring estimated costs are adequately supported for future programs, and (3) evaluating opportunities for maximizing surplus fiber revenue to help offset program costs.

Watts Bar Nuclear Vendor Selection Process

TVA plans to invest approximately $7 billion to extend and preserve the life of its seven nuclear units over the next 20 years. Selection of suppliers responsible for maintenance or system upgrades within TVA's nuclear fleet can affect TVA's ability to maintain generation reliability. The TVA organizations responsible for making these supplier selections are Supply Chain (SC) and Nuclear. Both departments are responsible for obtaining the best value for TVA. To help ensure TVA receives the best value, Nuclear Power Group, SPP 19.6, *TVA Nuclear Project Management Process*, requires nuclear fleet estimators to prepare an independent estimate to compare to vendor estimates.

Because of the importance of supplier selections, we evaluated the solicitation and bid evaluation processes for Watts Bar Nuclear Plant (WBN). The objective of our evaluation was to determine if solicitation and bid evaluation processes were performed in accordance with TVA's policies and procedures for electrical, maintenance, and modifications services contracts at WBN.

We determined that solicitation and bid evaluation processes for two projects implemented between April 11, 2024, and November 30, 2024, were not performed in accordance with TVA policies and procedures. Specifically, SC was not involved in the solicitation and bid evaluation processes as required. During our evaluation, we also identified gaps in the independent estimation process. We determined that independent estimates were not always developed as required and checklists to support independent estimate development were not always completed in accordance with guidance.

TVA management agreed with our recommendations and provided planned actions to ensure (1) project managers include SC in the solicitation and bid evaluation process and (2) independent estimates and estimation checklists are completed as required.

Allen Aeroderivative Combustion Turbines

TVA initiated the Allen Aeroderivative CT[7] project in May 2023 to install 6 aeroderivative CTs that would replace 200 of the 240 megawatts lost when TVA demolished 16 CT units at the Allen CT site in Memphis, Tennessee. TVA SPP 34.000, *Project Management*, provides guidance, including requirements for applying lessons learned from other TVA projects and for managing project risk throughout the life of the project. The project manager leads the process for identifying, mitigating, analyzing, and monitoring risks. According to TVA SPP 34.000, projects equal to or greater than $5 million are to have a risk register that documents this process.

To install the Allen Aeroderivative CTs, TVA utilized a design-bid-build contracting strategy with a cost-reimbursable pricing structure. TVA contracted with an engineering firm to perform detailed design work and to provide technical input and support into equipment procurements. TVA used another contractor to prepare the site for construction and later to perform the construction work. As of May 1, 2026, the Allen Aeroderivative CT project had an estimated total cost of approximately $430.5 million, of which $19.05 million was project contingency. Because aeroderivative technology is new to TVA, we performed an evaluation to determine whether the Allen Aeroderivative CT project (1) applied lessons learned from prior projects and (2) followed the risk management process.

We determined that a lesson learned was not applied to the Allen Aeroderivative CT project and that risk management could be improved. Specifically, not all identified risks were included in the risk register, and not all risk mitigations were applicable or included on the risk register. We also determined that risk analysis and monitoring did not occur as required. In addition, we determined issues related to contracting may have increased risk to the project and TVA. These included (1) one contract with missing contractor accountability terms and (2) sourcing not performed in accordance with TVA procedure.

TVA management agreed with our recommendations related to ensuring (1) all lessons learned are applied to the project, (2) all risks and mitigations are included on the risk register, (3) mitigations address the risk, (4) risks are analyzed and monitored as required, and (5) work performed by vendors is covered under appropriate accountability terms within the contract language. TVA management did not agree with one of the findings related to sourcing issues but did agree that additional clarity was needed.

[7] The aeroderivative CTs are designed for primary or back-up use and have quicker start-up times than other gas turbines.

Johnsonville Aeroderivative Combustion Turbine Project

In August 2019, the TVA Board approved the installation of aeroderivative CTs, a first-of-its-kind technology for TVA. The site of the former Johnsonville Fossil Plant was selected for the aeroderivative generation. TVA initiated the Johnsonville Aeroderivative CT project in September 2019 with a planned project cost of $498.5 million and an in-service date of September 2023. In December 2021, the planned project cost increased to $598.9 million due to changes in the model of CTs purchased; increased costs of the engineering, procurement, and construction (EPC) contractor; and increases in labor and material costs. As of December 2024, planned project costs had increased to $652.2 million, and the in-service date was extended to April 2025. Due to aeroderivative technology being new to TVA, we conducted an evaluation of the Johnsonville Aeroderivative CT project. The objective of the evaluation was to determine how Johnsonville Aeroderivative CT project costs were monitored and controlled.

We determined that TVA did not effectively monitor and control project costs for the Johnsonville Aeroderivative CT project, resulting in $20,899,732 in avoidable costs, $8,966,617 in unsupported costs, and overpayment of $1,108,987. Specifically, TVA:

- Did not hold the EPC contractor or an owner-furnished equipment (OFE) contractor accountable for performance issues. The performance issues included the EPC contractor not managing OFE contractors as required or completing a scope of work included in its contract. These EPC contractor performance issues resulted in $834,301 of increased project costs for TVA. In addition, TVA (1) received equipment from an OFE contractor "well below…cleanness standards," which increased project costs by $5,839,205 and (2) did not enforce the liquidated damages contract clause with an OFE contractor for missing milestones.
- Paid the EPC contractor $14,226,226 for costs related to safety, labor productivity, and schedule impacts they were not entitled to under the terms of the contract. However, TVA amended the contract to formalize approval of the project change requests (PCR) related to the $14,226,226 in costs, which indicates TVA's acceptance of the changes. Additionally, the EPC contractor and TVA are negotiating an additional $7,662,220 for reimbursement of technical advisory hours, which they are also not entitled to under the contract.
- Paid $1,108,987 for duplicative or disallowed markups; $8,966,617 for PCRs that did not have sufficient support; and $111,380 for a miscalculated labor inefficiency factor. In addition, while reviewing costs related to safety, we found an EPC contractor safety issue that could increase risk to TVA.

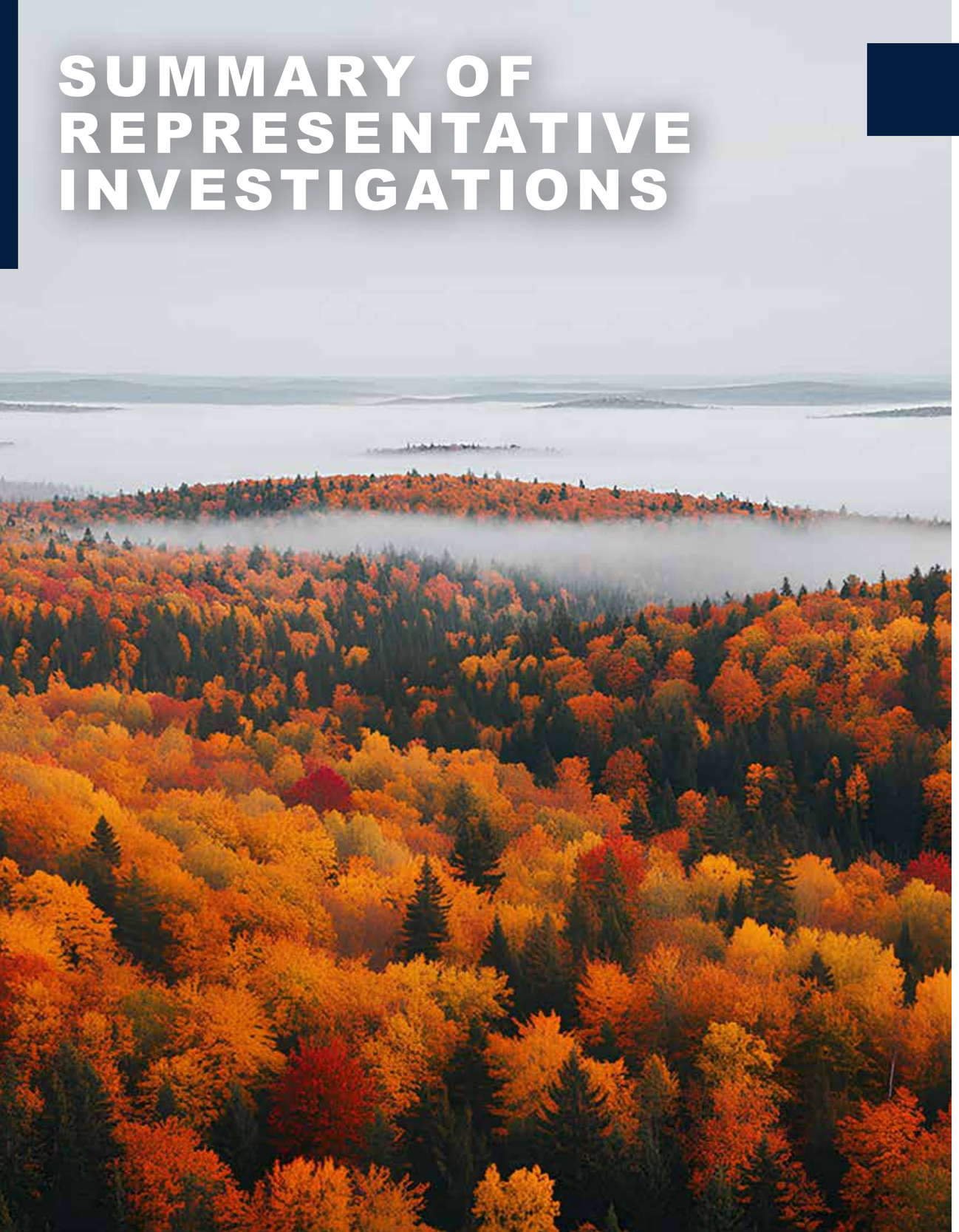
TVA management agreed with our recommendations related to (1) holding contractors accountable for performance issues, (2) evaluating the EPC contractor's responsibility for additional technical advisory charges, (3) recovering $111,380 in payments made for miscalculated costs, (4) an EPC contractor safety risk, (5) holding contractors accountable to negotiated contract provisions, (6) obtaining adequate PCR support before approving, and (7) recovery of PCR unsupported and ineligible costs.

TVA management disagreed with our recommendations related to determining the amount the EPC contractor included in its fixed price contract for managing OFE contractors and recovering costs.



Johnsonville Aeroderivative Combustion Turbine

SUMMARY OF REPRESENTATIVE INVESTIGATIONS



During this reporting period, we opened 89 cases and closed 85. Our investigations have resulted in significant civil, criminal, and administrative outcomes. Highlights of investigative accomplishments follow.

Individual Pleads Guilty to Making False Statements in Furtherance of Cares Act Fraud

The Paycheck Protection Program (PPP) is a form of financial assistance provided as part of the Coronavirus Aid, Relief, and Economic Security Act passed in March 2020 for purposes of providing emergency financial assistance to millions of Americans suffering economic hardship caused by the COVID-19 pandemic.

TVA OIG conducted a data mining project looking for TVA employees receiving PPP funds under fraudulent representation. An investigation was opened into a TVA employee, Sylvia Pitts, who received a $20,800 PPP loan for a purported janitorial business. The investigation found that the business did not exist and that the loan application included fraudulent tax forms. Pitts admitted she submitted the application under false pretenses.

Pitts was indicted by the U.S. Attorney's Office for the Northern District of Alabama in July 2025 on one charge of bank fraud and one charge of making a false statement. She pled guilty in August 2026 to making a false statement in violation of 18 U.S.C. § 1001. Sentencing is scheduled for November 2026.

Major TVA Vendor Reaches Settlement to Repay Unauthorized Loan

Berthold Technologies U.S.A., LLC, a TVA vendor, was identified as receiving a second-draw PPP loan in the amount of $458,734 on January 28, 2021. Berthold Technologies U.S.A., LLC is a wholly owned subsidiary of Berthold Technologies GmbH & Co. KG, a foreign-owned corporation based in Germany. At the time the PPP loan was granted to Berthold Technologies U.S.A., LLC, Berthold, including its affiliated entities (the entities under common ownership with Berthold Technologies GmbH & Co), exceeded the 300-employee cap in place for second-draw PPP loans.

As a result of this investigation, a settlement agreement was reached with Berthold on April 27, 2026. Berthold Technologies U.S.A., LLC agreed to pay the United States $665,000 of which $474,960.39 is restitution. The agreed upon funds were received by the United States Treasury Department on May 4, 2026.

TVA Vendor Overcharges More Than $400,000 in Services

The TVA OIG conducted a review related to the billings of a TVA vendor that provided hardware, software, network management, and technical assistance products for TVA from an original equipment manufacturer. The vendor receives pricing from the manufacturer and builds their cost into the price prior to selling the items to TVA. A discrepancy was identified between the prices invoiced by the vendor and the contractually agreed upon prices.

Pricing was to be determined by a pricing schedule, and prices were to be changed only pursuant to a fully executed written amendment to the contract; however, no contract amendment was identified that explained the billing discrepancies. In total, the OIG identified approximately $412,131 in overbillings between 2018-2025.

TVA Employee Suspended for Misuse of ValleyRide Program

The TVA OIG completed an investigation regarding an allegation of potential misuse of an in-house vehicle rental program by a TVA manager. The program, known as TVA ValleyRide, provides flat-rate daily rentals for TVA employees for official business use only. The concern additionally alleged that the employee had failed to file required documentation regarding outside employment.

The TVA OIG investigation confirmed the TVA employee repeatedly misused the TVA ValleyRide Program, along with a government credit card, for personal use of rental cars and associated fuel. As a result of the investigation, the employee was issued a written warning, suspended for 30 days for the associated policy violations, and required to complete outside employment documentation.



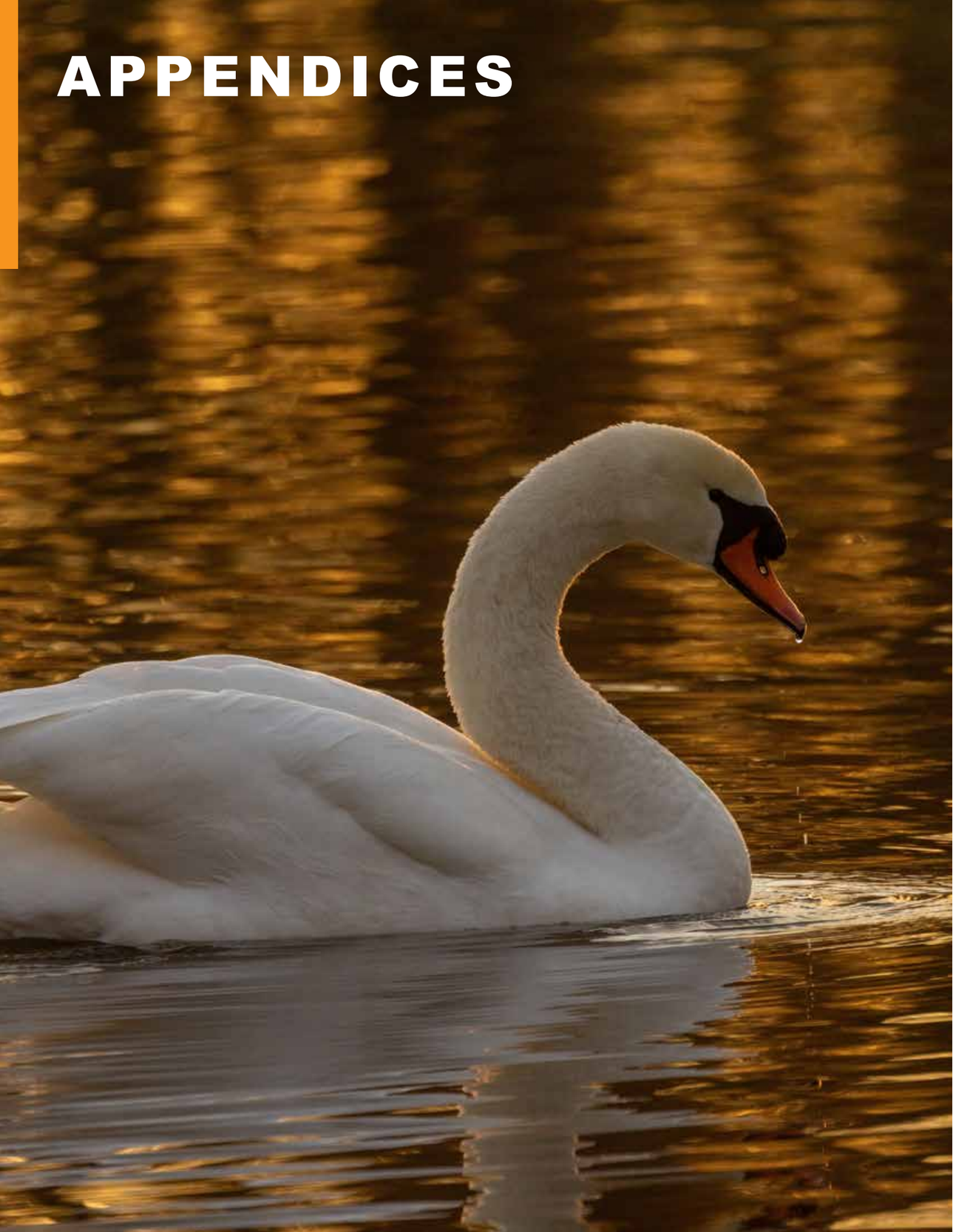


LEGISLATION AND REGULATIONS

In this section of our semiannual report, it is our intent to address only current and pending legislation which relates to the economy or efficiency of TVA operations when we have recommendations or comments to make to Congress regarding the legislation. At times, we may direct recommendations to general positions and issues, particularly when there are multiple bills dealing with the issue. At other times, we anticipate making recommendations relating to particular statutes and bills and their particular wording.

During this reporting period, we are not making any recommendations to Congress regarding current or pending legislation.

APPENDICES



INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

REPORTING	REQUIREMENT	PAGE OR APPENDIX
Section 4(a)(2)	Review of legislation and regulations.	40-41
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommenations for corrective action made by the Office of the Inspector General.	18-39
Section 5(a)(2)	Identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation.	Appendix 3
Section 5(a)(3)	Summary of significant investigations closed during the reporting period.	18-39
Section 5(a)(4)	Identification of the total number of convictions during the reporting period resulting from investigations.	Appendix 4
Section 5(a)(5)	Information regarding each audit, inspection, or evaluation report issued during the reporting period, including (a) a listing of each audit, inspection, or evaluation; (b) if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period.	Appendix 2
Section 5(a)(6)	Information regarding any management decision made during the period with respect to any audit, inspection, or evaluation issued during a previous reporting period.	Appendix 3
Section 5(a)(7)	Information described under Section 804(b) of the Federal Financial Management Improvement Act of 1996.	Not Applicable
Section 5(a)(8)	Appendix containing the results of any peer review conducted by another Office of the Inspector General during the reporting period; or if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of the Inspector General.	Appendix 9
Section 5(a)(9)	List of any outstanding recommendations from any peer review conducted by another Office of the Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete.	None
Section 5(a)(10)	List of any peer reviews conducted of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented.	Appendix 10
Section 5(a)(11)	Statistical table showing (a) the total number of investigative reports issued during the reporting period; (b) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period; (c) the total number of persons referred to state and local prosecuting authorities for criminal prosecution during the reporting period; and (d) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities.	Appendix 7

INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT (CONTINUED)

REPORTING	REQUIREMENT	PAGE OR APPENDIX
Section 5(a)(12)	Description of the metrics used for developing the data for the statistical tables under Section 5(a)(17).	Appendix 4
Section 5(a)(13)	Report on each investigation conducted by the Office where allegations of misconduct were substantiated involving a senior government employee[1] or senior official (as defined by the Office) if the establishment does not have senior government employees.	Appendix 5
Section 5(a)(14)	Detailed description of (a) any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and (b) what, if any, consequences the establishment actually imposed to hold the official accountable.	None
Section 5(a)(15)	Information related to interference by the establishment, including (a) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including (i) with budget constraints designed to limit the capabilities of the Office, and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and (b) a summary of each report made to the head of the establishment under Section 6(c)(2) during the reporting period.	None
Section 5(a)(16)	Detailed descriptons of the particular circumstances of each (a) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and (b) investigation conducted by the Office involving a senior government employee that is closed and was not disclosed to the public.	Appendix 6

[1] Pursuant to Section 5(a)(13) of the IG Act, as amended, which gives discretion to the OIG to make determinations where an Agency does not have "Senior Government employees," senior managers are those categorized as Officer/Executive in the TVA pay bands and others by exception, based on their responsibilities.

OIG AUDIT REPORTS • ISSUED DURING THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2026

Report Number and Date	Title	Questioned Costs	Unsupported Costs	Funds Put To Better Use
CONTRACT AUDITS				
2025-17573 05/05/2026	Contract for Nuclear Steam Supply System Refueling and Inspection Services	$1,386,951	$322,397	$0
2025-17574 06/03/2026	Contract for Engineering, Design, and Construction Management Support	33,595	12,638	0
2025-17594 07/28/2026	Contract for Services in Connection with a Construction Permit Application for Deployment of a Small Modular Reactor	3,353,559	0	0
2026-17617 07/28/2026	Contract for Cooling Tower Fill Repair	9,860	0	0
2026-17613 08/20/2026	Contract for Demand Response Services	675,096	0	0
2026-17607 09/28/2026	Contract for Coal Combustion Residual Engineering Services	308,579	0	0
2026-17626 09/30/2026	Contract for Electrical Transmission Structure Services	1,152,839	9,522	0
FINANCIAL AND OPERATIONAL AUDITS				
2026-17611 05/18/2026	Risk Mitigation Actions to Support Workforce Readiness and Availability	$0	$0	$0
2025-17591 07/16/2026	Fast Charge Network Program	0	0	0
2026-17625 08/04/2026	Asset Retirement Obligations	0	0	0
2026-17601 09/29/2026	Nuclear Staff Augmentation Contractor Qualifications	0	0	0
INFORMATION TECHNOLOGY AUDITS				
2025-17588 05/05/2026	System Access Security - Gas Operations	$0	$0	$0
2026-17628* 09/16/2026	2026 Federal Information Security Modernization Act	0	0	0
2025-17556* 09/24/2026	Lost or Stolen Information Technology Assets	0	0	0
2026-17612* 09/29/2026	Privacy Impact Assessments for Cloud Systems and Programs	0	0	0
TOTAL AUDITS (15)		$6,920,479	$344,557	$0

*Management decision was not received by the end of the reporting period.

Note: A summary of or link to the full report may be found on the OIG's website at https://www.tvaoig.gov.

OIG EVALUATION REPORTS • ISSUED DURING THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2026 (CONTINUED)

Report Number and Date	Title	Questioned Costs	Unsupported Costs	Funds Put To Better Use
EVALUATIONS - OPERATIONS				
2025-17598 04/07/2026	Renewable Energy Certificates to Meet North Carolina Requirements	$0	$0	$0
2025-17596 04/08/2026	Risk Mitigation of Low Pressure Turbines	0	0	0
2025-17578 05/06/2026	Contractor Rework - Major Projects	0	0	0
2025-17583 06/12/2026	Contractor Rework - Nuclear	0	0	0
2026-17610 06/23/2026	Condition of Coal Plant Assets	0	0	0
2026-17609 06/24/2026	Nuclear Fatigue Rule - Sequoyah Nuclear Plant	0	0	0
2026-17606 07/15/2026	Nuclear Spent Fuel Management	0	0	0
2026-17605 08/07/2026	Power Service Shop Cost Recovery	270,000	0	0
2026-17631 08/26/2026	Mitigation of Original Equipment Manufacturer Reliance Risk	0	0	0
2026-17608 09/21/2026	Procurement of Long-Lead Transmission Materials	0	0	0
EVALUATIONS - PROJECTS				
2025-17538 05/05/2026	TVA's Strategic Fiber Program	$0	$0	$0
2025-17529 05/13/2026	Watts Bar Nuclear Vendor Selection Process	0	0	0
2025-17589 07/21/2026	Allen Aeroderivative Combustion Turbines	0	0	0
2025-17599 07/29/2026	Johnsonville Aeroderivative Combustion Turbine Project	30,975,336	8,966,617	7,662,220
TOTAL EVALUATIONS (14)		$31,245,336	$8,966,617	$7,662,220

Note: A summary of or link to the full report may be found on the OIG's website at https://www.tvaoig.gov.

RECOMMENDATIONS INCLUDED IN A PREVIOUS SEMIANNUAL REPORT AND AWAITING IMPLEMENTATION

At the end of the semiannual period, final corrective action was not complete on 48 recommendations associated with 13 audit and 4 evaluation reports issued in a prior period. Presented below for each audit and evaluation are the report number, date, and title, along with a brief description of action management agreed to take to resolve the open recommendation, including the date management expects to complete final action and potential cost savings. (Report numbers followed by an "*" indicates management decision was received during this semiannual period.)

Audit Report Number and Date	Report Title and Actions Agreed to by Management to Resolve Recommendations
2023-17434 04/29/2024	**Corporate Wi-Fi Security** TVA agreed to remediate an insecure protocol. TVA expects to complete final action by October 1, 2028.
2025-17548 09/09/2025	**2025 Federal Information Security Modernization Act** TVA agreed to (1) implement and maintain common secure configuration settings for a particular type of server and active identified routers, firewalls, and switches; and (2) incorporate credentialed scanning to the greatest extent possible for network-based and agent-based scans in accordance with Binding Operational Directive 23-01, in coordination with the U.S. Department of Homeland Security, as necessary. TVA expects to complete final action by June 30, 2027.
2025-17550 10/06/2025	**Surplus Inventory** TVA agreed to (1) review the current process for improvements to reduce reorders of surplus inventory; (2) develop a reporting mechanism to track surplus materials that have been repurchased; (3) review the documentation process for surplus inventory for improvement and update training for the surplus inventory process; and (4) review the usage and potential usage of surplus inventory. TVA expects to complete final action by October 6, 2026.
2025-17581 01/15/2026	**TVA Penetration Test** TVA agreed to perform an after-action review of the identified findings to determine the root causes. TVA will create and implement a plan of action and milestones to resolve the root causes. TVA expects to complete final action by March 16, 2027.
2025-17542 01/20/2026	**Protection Against a Specific Type of Cyberattack** TVA agreed to perform various self-audit assessments against industry best practices and prioritize and implement additional configurations. TVA expects to complete final action by March 21, 2027.
2025-17580 01/21/2026	**Transmission Control Center Network Cybersecurity** TVA agreed to update policies and implement changes in accordance with identified best practices. TVA expects to complete final action by January 21, 2027.
2025-17566 01/26/2026	**Contract for Energy Efficiency Services** TVA agreed to enter into negotiations to recover (1) up to $242,985 in overbilled labor costs and (2) $8,367 in overbilled travel costs. In addition, TVA agreed to take steps to ensure travel costs are billed in accordance with the contract. TVA expects to complete final action by January 26, 2027.
2025-17536 02/02/2026	**Business Meetings and External Relationship Events** TVA agreed to reassess Board and management reporting. TVA expects to complete final action by February 2, 2027.

RECOMMENDATIONS INCLUDED IN A PREVIOUS SEMIANNUAL REPORT AND AWAITING IMPLEMENTATION (CONTINUED)

Audit Report Number and Date	Report Title and Actions Agreed to by Management to Resolve Recommendations
2025-17545 02/09/2026	**Contract for Nuclear Modification, Outage, and Supplemental Maintenance Services** TVA agreed to (1) take action to recover $2,698 in unsupported labor cost and (2) execute a contract amendment to reinstate craft incentives to meet the parties' intent. TVA expects to complete final action by February 9, 2027.
2025-17572 02/09/2026	**Contract for Power Transformers and Related Equipment** TVA agreed to (1) require the contractor to provide support for the actual costs of transportation prior to payment and (2) pursue recovery of $321,560 in overbilled costs due to incorrect index values. TVA expects to complete final action by February 9, 2027.
2025-17560* 02/11/2026	**Tool Management Controls** TVA agreed to (1) evaluate the physical controls, determining cost benefit if needed, to agree upon a standard for implementation; (2) document agreed upon standard physical controls for sites with tool rooms in the procedure developed; (3) install a camera system in certain tool rooms and spray paint tools in the tool room to identify them as belonging to TVA; (4) review physical controls to safeguard tools across the Nuclear Power Group for consistency; (5) implement a tool management procedure for sites with tool rooms; (6) develop a Process Assurance Procedure for Power Service Shops to utilize for tool management; and (7) review Business Practice 226, *Tool and Equipment Accountability*, for any appropriate updates or enhancements and revise it as needed. TVA expects to complete final action by February 11, 2027.
2025-17567 02/24/2026	**Contract for Staff Augmentation Electrical and Telecommunication Services** TVA agreed to enter into negotiations with the contractor to recover (1) $3,748 in unsupported travel costs, (2) $48,257 in overbilled labor costs, (3) $65,805 in duplicate or incorrect invoices, and (4) $69,790 in ineligible fuel and oil costs. TVA expects to complete final action by February 24, 2027.
2025-17557 02/26/2026	**Backup and Recovery of Operational Technology - Gas Operations** TVA agreed to (1) create backup and recovery plans for each system technology type that a site must follow, when applicable, and (2) update Standard Operating Procedure 12.871, *Cyber Security - Backup and Recovery*, to state that backups will be encrypted in transit, where technically feasible, by the automated recovery mechanism and stored encrypted at rest. TVA expects to complete final action by February 26, 2027.

RECOMMENDATIONS INCLUDED IN A PREVIOUS SEMIANNUAL REPORT AND AWAITING IMPLEMENTATION (CONTINUED)

Evaluation Report Number and Date	Report Title and Actions Agreed to by Management to Resolve Recommendations
2025-17549 09/23/2025	**Gallatin Ash Pond Complex Closure and Restoration** TVA agreed to develop processes to support and monitor definitive estimates for Phase 3 approvals and that any non-typical projects going to the Project Review Board include documentation regarding any project cost estimate risks due to incomplete scope. TVA expects to complete final action by October 31, 2026.
2025-17547 11/05/2025	**Oversight of Contractor Safety** TVA agreed to (1) implement a process to ensure safety performance audits are completed and documented as required; (2) perform a review to identify contracts without a Contractor Oversight Representative (COR) and ensure completion of their required responsibilities; (3) initiate a review to identify missing Site-Specific Safety and Health Plans and coordinate with respective business units to address missing plans; and (4) reestablish the COR High Impact Team and make the COR workshop permanent to ensure personnel understand the roles and responsibilities of the COR. TVA expects to complete final action by November 5, 2026.
2025-17564 12/22/2025	**Hydro Life Extension** TVA agreed to (1) document a formalized process to evaluate system impacts within the Hydro Life Extension project planning and design phases for hydro megawatt uprate opportunities and (2) formalize a plan to determine which hydro plant transmission upgrades will be economically beneficial for TVA and the appropriate funding source for those projects. TVA expects to complete final action by December 22, 2026.
2025-17531* 02/02/2026	**Sequoyah Nuclear Plant Moisture Separator Reheater Replacement Project** TVA agreed to (1) document any further quality issues identified in the Corrective Action Program (CAP); (2) reinforce the importance and requirements of the CAP; (3) communicate lessons learned related to (a) performing high-quality studies and scoping, (b) conducting initial quality-level determinations, (c) understanding contract-change processes and the respective roles of project managers and contracting decisions, (d) proper invoice review and approval, and (e) limitations for procurements from Trade Agreement Act nondesignated countries; (4) review results of the moisture separator reheater (MSR) replacement project invoice evaluation and recover charges identified as unauthorized; (5) conduct a review of Sequoyah Nuclear Plant MSR procurement and pedigrees, including an independent third-party subject matter expert analysis to determine usability of MSRs; (6) evaluate the engineering review requirements for material procurements to ensure the design requirements are established by Engineering before orders are placed; (7) review the Projects Estimation Review Committee process and implement improvements as appropriate; (8) evaluate MSR project implementation vendor invoices for alignment with approved Contractor Work Authorizations and recover unauthorized charges; and (9) review the Projects Assumptions Identification and Risk Management processes and implement improvements as appropriate. TVA expects to complete final action by February 2, 2027.

APPENDIX 4

INVESTIGATIVE REFERRALS AND PROSECUTIVE RESULTS

Referrals	
Reports Issued to TVA Management	8
Subjects Referred to U.S. Attorneys	16
Subjects Referred to State/Local Authorities	0
Results	
Subjects Indicted/Informations Filed	1
Subjects Convicted	1
Pretrial Diversion	0
Federal Referrals Declined	6
State/Local Referrals Declined	0

Metrics: Reports issued to TVA management are comprised of formal written reports and, when appropriate, e-mailed summaries conveying the findings of a completed investigation.

The number of indictments does not include sealed indictments or superseding indictments of the same individual already reported in this or a prior semiannual report unless charges or charging mechanism differs substantially.

Results include persons and companies/entities as applicable and may include task force activities and joint investigations with other agencies.



APPENDIX 5

SUBSTANTIATED INVESTIGATIONS INVOLVING SENIOR AGENCY OFFICIALS

Case No.	Allegation and Disposition
24-0021	A general manager allegedly structured projects across multiple purchase orders to circumvent TVA's competitive bidding requirements in an effort to award work to a company owned and operated by a personal friend. This allegation was not substantiated, but the general manager did have unreported outside employment and was instructed to update his OGE 450 and a Request for Outside Employment. The case was referred for prosecution on March 12, 2025, and declined on July 16, 2026.
25-0125	Our office received a hotline tip that a TVA Vice President (VP) informed three subordinates they could continue to submit commuting vouchers for parking every month during the pandemic telework timeframe, even if they did not incur commuting expenses. The VP informed them since the commuting expense was below the threshold requiring a receipt, no one would be able to identify fraud was being committed. This allegation against the VP was not substantiated. However, two of the three subordinates were found to be submitting expense reports for commuting when they were not paying a monthly parking fee. From September 2020 through January 2025, one of the subordinates, a TVA manager who qualifies as a senior government employee, submitted 29 separate false expense reimbursement vouchers for monthly parking expenses to be filed on her behalf totaling $1,230. The Director was coached and paid $1,230 in restitution. From February 2024 through November 2025, the other subordinate employee filed 21 separate false expense reimbursement vouchers for monthly parking expenses totaling $770. The subordinate paid $770 in restitution. Further, the investigation identified instances where the same TVA manager and the third subordinate sent TVA documents to non-TVA email addresses in violation of TVA policy. This was reported to TVA management, who responded employees were coached on the email policy. The case was referred and declined for prosecution on October 12, 2025.

Metrics: Pursuant to Section 5(a)(13) of the IG Act, as amended, which gives discretion to the OIG to make determinations where an Agency does not have "Senior Government employees," senior managers are those categorized as Officer/Executive in the TVA pay bands and others with salaries equal to or greater than 86.5% of the rate for level II of the Executive Schedule.

APPENDIX 6

PREVIOUSLY UNDISCLOSED INVESTIGATIONS INVOLVING SENIOR AGENCY OFFICIALS

Case No.	Allegation and Disposition
25-0119	A TVA employee alleged a TVA contract company is charging TVA an inappropriate amount of money and the firm may be involved in a congressional hearing regarding their work for the Saudi and Chinese governments. Agents did not substantiate TVA was being charged inappropriately, nor that money spent on the contract company is in alignment with cost savings. Unsubstantiated.
25-0125	A TVA employee alleged a senior vice president received a request from a Board member to influence a TVA decision to waive a local agency's annual license fee to co-locate communications systems on a TVA tower as a favor to a personal friend of the Board member. Unsubstantiated.

Metrics: Pursuant to Section 5(a)(13) of the IG Act, as amended, which gives discretion to the OIG to make determinations where an Agency does not have "Senior Government employees," senior managers are those categorized as Officer/Executive in the TVA pay bands and others with salaries equal to or greater than 86.5% of the rate for level II of the Executive Schedule.

APPENDIX 7

HIGHLIGHTS - STATISTICS

	SEPT 30, 2026	MAR 31, 2026	SEPT 30, 2025	MAR 31, 2025	SEPT 30, 2024
AUDITS					
AUDIT STATISTICS					
Carried Forward	19[1]	19	17[2]	19	20[3]
Started	12	18	15	12	15
Canceled	(1)	(1)	(1)	(0)	(0)
Completed	(15)	(15)	(13)	(14)	(17)
In Progress at End of Reporting Period	16[4]	19[5]	19	17[6]	19[7]
AUDIT RESULTS (Thousands)					
Questioned Costs	$6,920	$34,391	$1,860	$666	$25,124
Disallowed by TVA	$6,635	$34,337	$1,860	$666	$11,124
Recovered by TVA	$112	$480	$143	$401	$67
Funds to Be Put to Better Use	$0	$0	$25,925	$71,090	$22,990
Agreed to by TVA	$0	$10,600	$15,325	$71,090	$22,990
Realized by TVA	$12,085	$0	$12,600	$749	$0
OTHER AUDIT-RELATED PROJECTS					
Completed	3	3	3	3	5
Cost Savings Identified/Realized	$0	$0	$0	$0	$0
EVALUATIONS					
Completed	14	5	9	6	8
Cost Savings Identified/Realized (Thousands)	$38,638	$3,542	$0	$0	$0

[1] Does not include one project that was postponed at the beginning of the period.
[2] Ibid.
[3] Ibid.
[4] Does not include one project that was postponed prior to the period.
[5] Does not include two projects that were postponed during the period.
[6] Does not include one project that was postponed prior to the period.
[7] Ibid.

HIGHLIGHTS - STATISTICS (CONTINUED)

	SEPT 30, 2026	MAR 31, 2026	SEPT 30, 2025	MAR 31, 2025	SEPT 30, 2024
INVESTIGATIONS[8]					
INVESTIGATION CASELOAD					
Opened	89	53	45	55	46
Closed	85	42	51	56	48
In Progress at End of Reporting Period	67	63	51	57	58
INVESTIGATIVE RESULTS (Thousands)					
Restitution - Court Ordered Criminal	$88.1	$1,000.0	$1,051.6	$133.5	$124.3
Civil Settlement	$665.0	$2,770.0	$617.0	$3,188.6	$0
Recoveries[9]	$416.0	$1.2	$83.0	$6.5	$166.1
Projected Savings	$0	$0	$1,870.5	$0	$0
Fines/Penalties/Fees	$0.2	$1.0	$0.1	$51.3	$0.2
Waste/Other Monetary Loss	$351.6	$0	$0	$0	$0
Forfeiture(s) Ordered - Criminal	$0	$0	$0	$0	$0
Forfeiture(s) Ordered - Civil	$0	$0	$0	$0	$0
MANAGEMENT ACTIONS					
Disciplinary Actions Taken	10	4	4	4	3
Counseling/Management Techniques Employed	14	8	7	6	5
Debarments	0	0	0	0	0
PROSECUTIVE ACTIVITIES (Number of Subjects)					
Referred to U.S. Attorneys	16	7	7	8	15
Referred to State/Local Authorities	0	0	0	1	0
Indicted/Informations Filed	1	2	4	1	0
Convicted	1	2	4	2	6
Pretrial Diversions	0	0	0	1	0
TRAFFICKING VICTIMS PREVENTION & PROTECTION ACT OF 2022 (REQUIRED ANNUAL REPORTING PUBLIC LAW 117-348, § 122€ (S.3949))					
Suspected cases of misconduct, waste, fraud, or abuse relating to trafficking in persons	0	0	0	0	0

[8] These numbers may include task force activities and joint investigations with other agencies.
[9] Sum of all administrative recoveries pursued by TVA or repayments made as a result of investigative events occurring during the reporting.

APPENDIX 8

GOVERNMENT CONTRACTOR AUDIT FINDINGS

The National Defense Authorization Act for Fiscal Year 2008, P.L. 110-181, requires each Inspector General appointed under the Inspector General Act of 1978 to submit an appendix on final, completed contract audit reports issued to the contracting activity that contain significant audit findings—unsupported, questioned, or disallowed costs in an amount in excess of $10 million, or other significant findings—as part of the Semiannual Report to Congress. During this reporting period, the Office of the Inspector General issued no contract review reports under this requirement.



Pickwick Powerhouse

APPENDIX 9

PEER REVIEWS OF THE TVA OFFICE OF THE INSPECTOR GENERAL

Audits Peer Review

Inspector General audit organizations are required to undergo an external peer review of their system of quality control at least once every three years, based on requirements in the *Government Auditing Standards*. Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail. The Tennessee Valley Authority (TVA) Office of the Inspector General (OIG) underwent its most recent peer review of its audit organization for the period ended September 30, 2022. This review was performed by the U.S. Securities and Exchange Commission (SEC) OIG. The SEC OIG issued its report, dated February 28, 2023, in which it concluded the system of quality control for the audit organization of TVA OIG in effect for the year ended September 30, 2022, has been suitably designed and complied with to provide TVA OIG with reasonable assurance of performing and reporting in conformity with applicable professional auditing standards in all material respects. Accordingly, the TVA OIG received a rating of pass. There are no outstanding recommendations from this review. The peer review report is posted on our website at https://www.tvaoig.gov.

The U.S. Nuclear Regulatory Commission OIG is currently performing a peer review of our audit organization for the period ended September 30, 2025. We plan to include the results of the ongoing peer review in our next semiannual report.

Evaluations Peer Review

Inspector General organizations that conduct evaluations in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) *Quality Standards for Inspection and Evaluation* (Blue Book) are required to undergo an external peer review every three years. The TVA OIG underwent its most recent peer review of its evaluation organization for the period ended March 31, 2026. This review was performed by the U.S. Department of Health and Human Services (HHS) OIG. The HHS OIG issued its report, dated August 18, 2026, in which it determined the system of quality control for the TVA OIG in effect for the year ended March 31, 2026, has been suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity with the Blue Book. The peer review report is posted on our website at https://www.tvaoig.gov.

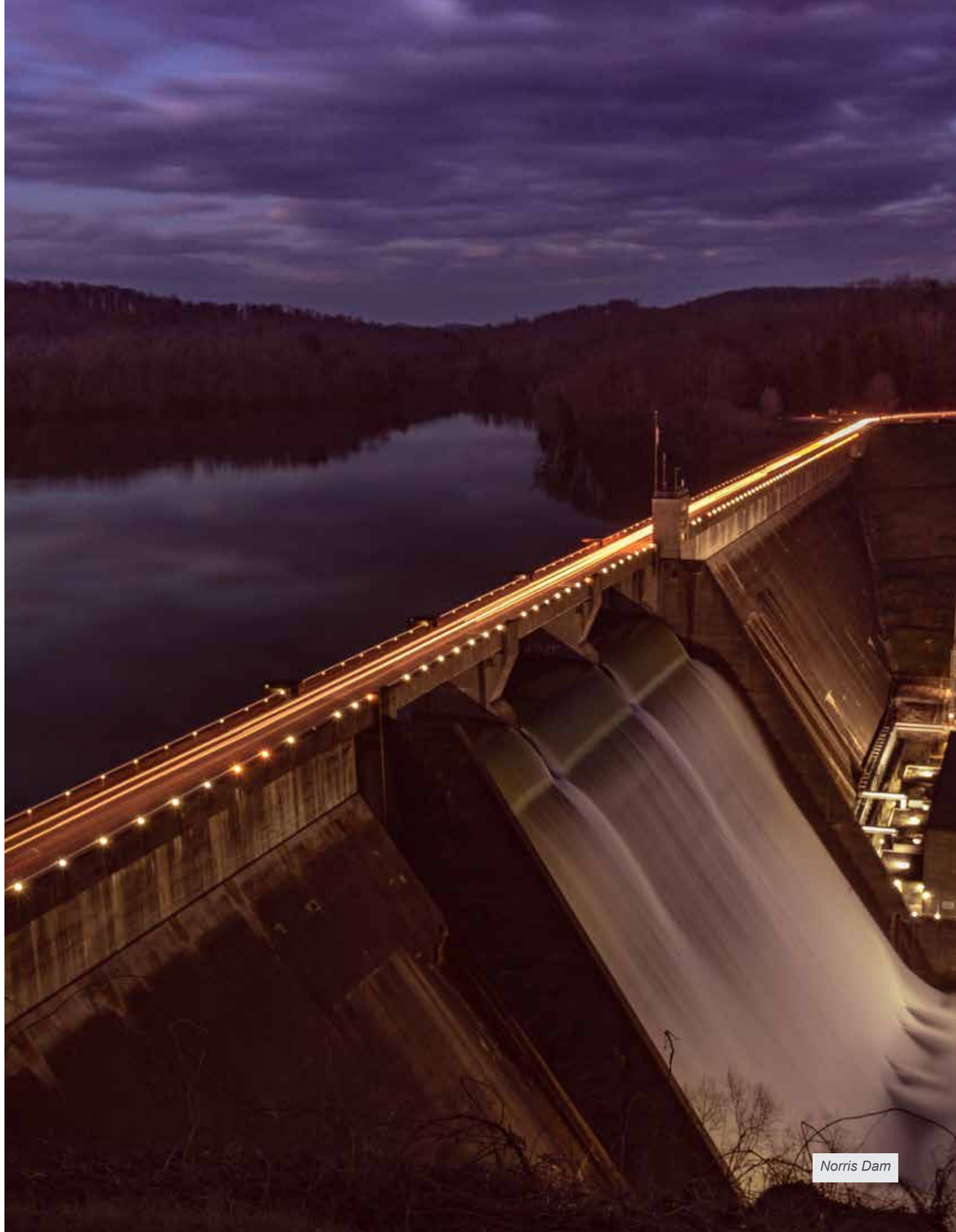
Investigations Peer Review

Investigative operations undergoes a Quality Assessment Review (QAR) on a recurring basis as designated by the CIGIE. The Export-Import Bank of the United States (EXIM) OIG completed a QAR of TVA OIG Investigative Operations on August 21, 2024. EXIM OIG found ". . . the system of internal safeguards and management procedures for the investigative function of the TVA OIG follows the quality standards established by the CIGIE and the other applicable guidelines and statutes cited above. Those safeguards and procedures provide reasonable assurance of conforming with professional standards in the planning, execution and reporting of its investigations." This confirmation is posted on our website at https://www.tvaoig.gov.

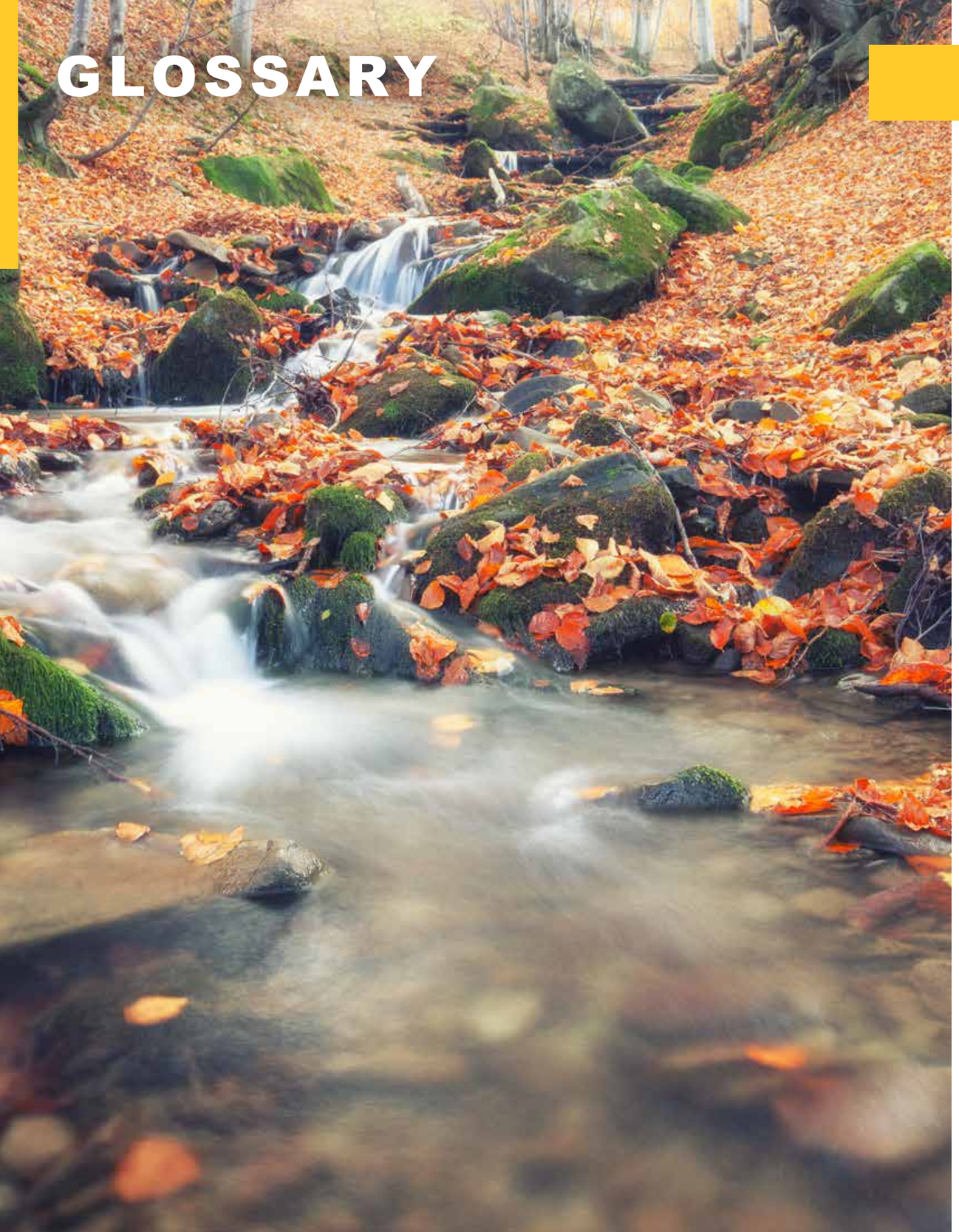
APPENDIX 10

PEER REVIEW OF ANOTHER OFFICE OF THE INSPECTOR GENERAL

The Tennessee Valley Authority Office of the Inspector General (OIG) initiated a peer review of the U.S. Environmental Protection Agency OIG evaluation operations. OIGs that conduct inspections and evaluations in accordance with Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (Blue Book) must undergo an external peer review every three years. The external peer review of an OIG's evaluation organization is designed to determine whether, for the period under review, the reviewed organization's system of quality control is designed and implemented to provide it with reasonable assurance of adhering to the Blue Book standards. We anticipate issuing our report prior to March 31, 2027.



Norris Dam



GLOSSARY

Disallowed Cost

A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the agency.

Final Action

The completion of all management actions, as described in a management decision, with respect to audit findings and recommendations. When management concludes no action is necessary, final action occurs when a management decision is made.

Funds Put To Better Use

Funds which the OIG has disclosed in an audit report that could be used more efficiently by reducing outlays, deobligating program or operational funds, avoiding unnecessary expenditures, or taking other efficiency measures.

Improper Payment

Any payment that should not have been made or was made in an incorrect amount, including an overpayment or underpayment, under statutory, contractual, administrative, or other legally applicable requirement, as defined in the Payment Integrity Information Act of 2019.

Information

A formal accusation of a crime made by a prosecuting officer as distinguished from an indictment presented by a grand jury.

Management Decision

Evaluation by management of the audit findings and recommendations and the issuance of a final decision by management concerning its response to such findings and recommendations.

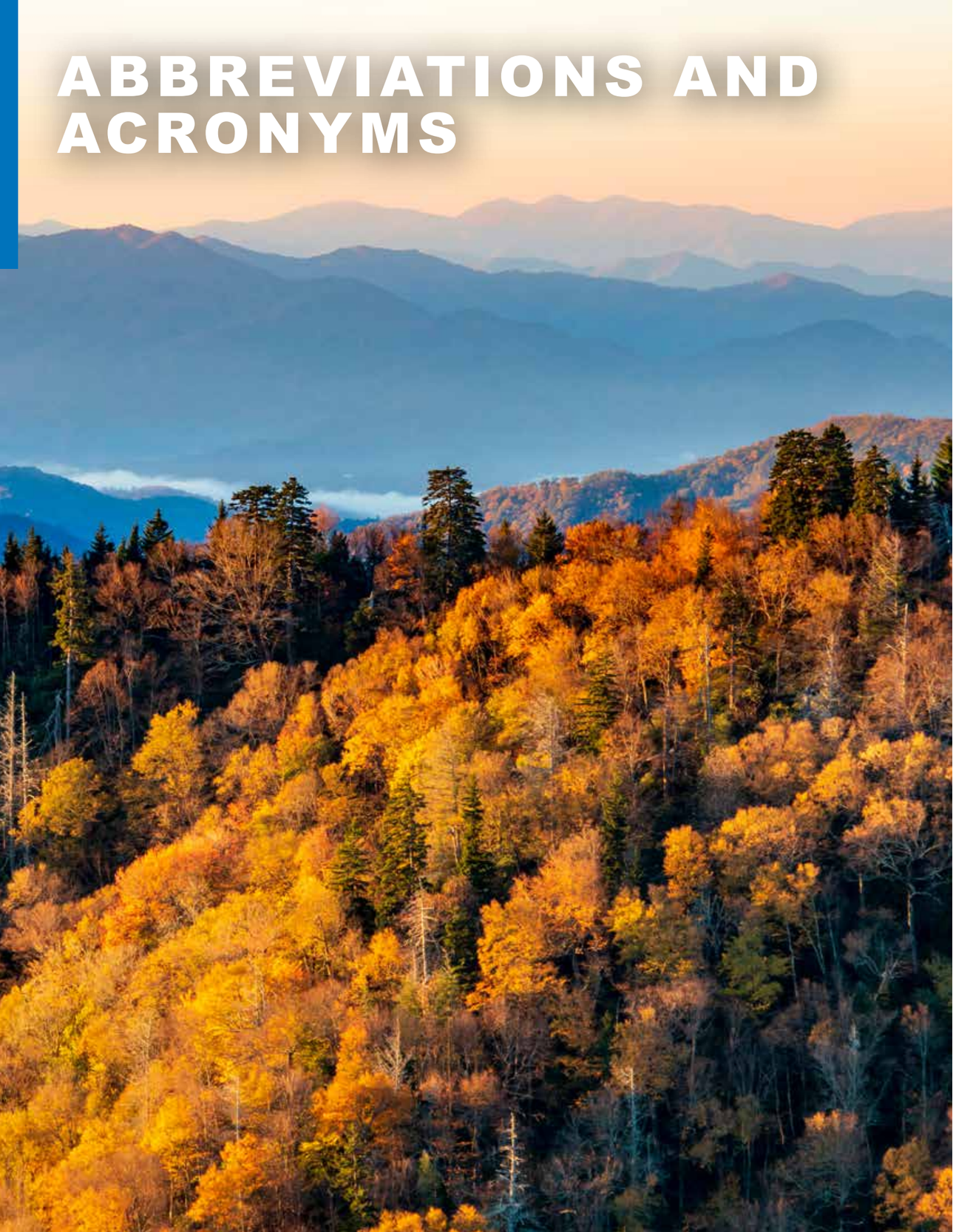
Questioned Cost

A cost the Inspector General questions because (1) of an alleged violation of a law, regulation, contract, grant, cooperative agreement, or other document governing the expenditure of funds; (2) such cost is not supported by adequate documentation; or (3) the expenditure of funds for the intended purposes was unnecessary or unreasonable.

Unsupported Costs

A cost that is questioned because of the lack of adequate documentation at the time of the audit.

ABBREVIATIONS AND ACRONYMS



THE FOLLOWING ARE ABBREVIATIONS AND ACRONYMS WIDELY USED IN THIS REPORT.

ART	Asset Retirement Trust
Blue Book	Quality Standards for Inspection and Evaluation
BU	Business Unit
CAP	Corrective Action Program
CEPS	Clean Energy and Energy Efficiency Portfolio Standard
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COR	Contractor Oversight Representative
CT	Combustion Turbine
DR	Demand Response
EPC	Engineering, Procurement, and Construction
ERM	Enterprise Risk Management
EV	Electric Vehicle
EXIM	Export-Import Bank of the United States
FCN	Fast Charge Network
FISMA	Federal Information Security Modernization Act
FY	Fiscal Year
HHS	U.S. Department of Health and Human Services
IG	Inspector General
ISP	Information Security Program
IT	Information Technology
LPC	Local Power Companies
NFR	Nuclear Fatigue Rule
MSR	Moisture Separator Reheater
MWh	Megawatt-hour
NDT	Nuclear Decommissioning Trust
OEM	Original Equipment Manufacturer
OFE	Owner-Furnished Equipment
OIG	Office of the Inspector General
PCR	Project Change Requests
PII	Personally Identifiable Information
PPP	Paycheck Protection Program
PSS	Power Service Shop
QA	Quality Assurance
QAR	Quality Assessment Review
REC	Renewable Energy Certificates
SC	Supply Chain
SFI	Strategic Fiber Initiative
SEC	U.S. Securities and Exchange Commission
SPP	Standard Programs and Processes
TVA	Tennessee Valley Authority
TVA Board	TVA Board of Directors
U.S.	United States
VP	Vice President
WBN	Watts Bar Nuclear Plant

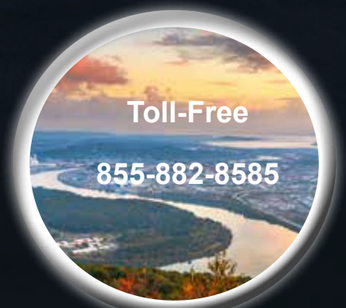
EMPOWERLINE®

Help Us Make TVA Better

If you see something that doesn't look right, say something. By doing so, you help the OIG stop fraud, waste, and abuse in its tracks! Anonymous & Confidential. The EMPOWERLINE® is a safe outlet for reporting and is available 24/7.







REPORT FRAUD, WASTE, AND ABUSE

Examples include:

- Contractor Fraud
- Employee Misconduct
- Environmental Crimes
- Conflict of Interest
- Workers' Compensation Fraud
- Healthcare/Prescription Drug Fraud

WHISTLEBLOWER COORDINATOR

Educates TVA employees about prohibitions on retaliation for protected disclosures, as well as the rights and remedies of employees who have been subjected to workplaace retaliation for making protected disclosures.

Emails may be directed to: whistleblowercoordinator@tvaoig.gov.

OFFICE OF THE INSPECTOR GENERAL
TENNESSEE VALLEY AUTHORITY
400 West Summit Hill Drive
Knoxville, Tennessee 37902

EMPOWERLINE®

24/7

The OIG is an independent organization charged with conducting audits, evaluations, and investigations relating to TVA programs and operations, while keeping the TVA Board and Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations.

The OIG focuses on (1) making TVA's programs and operations more effective and efficient; (2) preventing, identifying, and eliminating waste, fraud, and abuse and violations of laws, rules, or regulations; and (3) promoting integrity in financial reporting.

If you would like to report to the OIG any concerns about fraud, waste, or abuse involving TVA programs or violations of TVA's Code of Conduct, you should contact the OIG EmPowerline, TVA OIG's hotline. The EmPowerline can be reached 24 hours a day, seven days a week, either by a toll-free phone call (855-882-8585) or over the Web (www.oigempowerline.com). A third-party contractor will take your call or online concern and immediately forward it to OIG personnel. You may report your concerns anonymously or you may request confidentiality.

TVA OIG VALUES

- Effective Communication
- Trusting Relationships
- Integrity
- Independence
- Continuous Improvement
- Accountability

We are a high performing work team that achieves OIG strategic objectives through operational excellence and modeling our values and behaviors every day.

Office of the Inspector General
TENNESSEE VALLEY AUTHORITY
Semiannual Report
April 1, 2026 - September 30, 2026

