

TVARA NEWS

The TVA Retirees Association

The Tennessee Valley Authority Retirees Association | 400 West Summit Hill Drive SPT 5A | Knoxville, TN 37902 | www.tvara.org | 865-632-3318

Bays Always Seeks Best Deal for TVARS

BY THERESA HABIGER, TVARA Valleywide President



Les Bays

Speaking at the quarterly meeting of the TVA Retirees Association Board Nov. 1 in Nashville, Les Bays said his years on the TVA Retirement System Board sometimes reminded him of the game of duplicate bridge.

“You try to do the best you can with each hand you are dealt,” said Bays, the TVARS Board Chairman. “On some hands we outperform. On some hands we make mistakes. But we always look for ways to interact with our partners so as to try to produce the best outcomes.”

Bays said it is easy to look back at old hands and see mistakes.

“We now have the privilege to look at the five or six years in the 1990s and early 2000s when TVA made little or no contributions to the plan and say the need to de-risk the plan should have been obvious,” he said.

“However, TVA wanted to avoid contributions, and members continued to want benefit increases during those years. It is always easier to see what you could have

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2013 Medicare Supplement Premium Set To Drop by 12.5% Next Year

BY PATRICIA MILLER, Chair, TVARA Health Committee

Great news! In 2013 the Medicare Supplement Premium will be reduced from its current premium of \$295 to \$258, down 12.5 percent from the 2012 premium.

The reduction is made possible by a drop both in the medical and the prescription-drug components of the premium.

The largest drop occurs in the prescription-drug component.

In April, the Centers for Medicare & Medicaid Services, the federal agency that administers the Medicare and Medicaid programs, made a rule change that allowed discounts to be applied to prescription-drug cost before the cost of the drug was applied to the member.

This guidance has a positive impact on our plan. Working with

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Claims-Processing Changes DO NOT Apply to Retirees in Medicare Supplement Plan

In September BlueCross BlueShield of Tennessee mailed letters about changes in the way claims will be processed and paid for for some types of ancillary services, such as lab work sent to labs outside the state in which the sample was drawn.

The letters were mailed erroneously to participants in the Medicare Supplement Plan, and the changes DO NOT apply to those individuals.

The changes ARE applicable for retirees not eligible for Medicare,

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The TVA Retirees Association is the official organization of all TVA retirees. It was organized to serve the varied mutual interests of TVA and its retirees, or their beneficiaries, and to help keep them informed of TVA developments affecting their interests. It has been recognized by TVA as the responsible representative of retirees in conveying retiree views.

Despite Keeping Interest Rates Low, Economy Movement Slow

BY SCOTT SMITH, Coulter & Justus Financial Services LLC

It's remarkable how slowly the economy is moving, despite record-low interest rates.

Over the past two years, we have avoided recession scares, but the pace of growth continues to be disappointing. Lackluster, "muddle-through" growth has been one of the reasons the Federal Reserve continues to implement extraordinary measures to repress long-term interest rates and keep them low.

These measures have helped sustain notable gains in financial markets, with the S&P 500 up 16.44 percent through the first nine months of 2012, but Wall Street gains have yet to trickle down to Main Street in any substantive way.

Uncertainty and lack of confidence continue to be thorns in the side of our economy.

Much of the uncertainty can be attributed to our polarized political system and the unsustainable escalation of our fiscal deficits and national debt levels. As we saw in 2011 during the debt-ceiling debate, politicians willingly took us to the edge of our debt limit just so they could gain political bargaining power.

Although the debt limit ultimately was raised, political games carried their own set of negative consequences into the economy as business and consumer confidence weakened, the stock market dropped, and the credit rating on U.S. Treasury debt was lowered by Standard & Poor's.

As we confront the difficult topic of the "fiscal cliff" ending Dec. 31, much of what happens to the markets and economy in 2013 will be dependent upon what legislation is passed in Congress

before year's end.

It's unfortunate we are in an environment where economic outcomes are dependent upon political outcomes, but it is today's reality.

After last month's elections, bipartisan compromise could happen; however, the most likely course is for Congress to enact another extension in order to prevent a sharp drop-off in economic activity.

Assuming no compromise is made, the Congressional Budget Office predicts the U.S. economy will experience a recession in 2013.

The magnitude of recession is unknown, but estimates have ranged between 3-4.5 percent of U.S. GDP.

On the bright side, if the sources of confidence are addressed and the fiscal gap continues to narrow, there is an enormous amount of underutilized capital sitting on the sidelines that could be put to work to help accelerate economic growth.

Despite our nation's challenges as related to the political process, it's still worthwhile to remember the resiliency and power of our free-market enterprise system, which will continue to be the envy of the Free World and will continue to be the foundation for long-term investment gains in years to come.

(Scott Smith is an Investment Analyst with Coulter & Justus Financial Services LLC, an independent, fee-based wealth-management firm serving the Knoxville and Oak Ridge communities. For more information about the firm, visit www.cj-fs.com online.)

Jerry, Evelyn Hudson Top BVI Volunteers for 2012



From left, Jerry and Evelyn Hudson, with BVI Board Chair John Culp

BY SUSAN LAUVER, Senior Strategic Specialist
TVA Executive & Employee Communications

Jerry and Evelyn Hudson of Iuka, Miss., were honored at this year's BVI Awards & Recognition Banquet as the 2012 Volunteers of the Year.

"The Hudsons are great ambassadors for both TVA and BVI, and we're proud to honor them for their loyalty and dedication to TVA and BVI," said Bicentennial Volunteers Inc. President Mike Lamb at the 29th annual awards banquet, held Sept. 13 in Huntsville, Ala.

"They've worked on a variety of projects, including teaching water safety, staffing visitor centers and conducting technical tours at the Pickwick Dam plant. They've done water-safety training for students in Mississippi, Tennessee, and Alabama, with most of this training conducted aboard the *Pickwick Belle*, a paddle-wheel riverboat that

operates on and around Pickwick Lake."

Other Retirees, Spouses Recognized for Service Milestones

6,000 Hours of Volunteer Service — Jim and Carol Daniel

5,000 Hours — Charlene Bounds, Leon and Nancy Hicks

4,000 Hours — Alene Howell, Jack and Betsy Lenz, Jim and Betty Talley

3,000 Hours — Pat Shannon, Jerry and Elaine Waterbury

2,000 Hours — Cleburn and Barbara Aderholt, Eddie and Kathleen Garrison, Jan and Dot Jensen, Ken and Connie Rhoden

1,000 Hours — Jim and Carolyn Dodson, Herman and Better Lollar, Barbara Nelson, Clem and Doris Schonhoff

500 Hours — Lile and Cathryn Bickley, Elmo Blevins

Volunteer Outstanding Service Award (at least 15 years of service and 3,000 hours of volunteer work)

Ken Coppage, Tony Giggy, Rosa Kirk

Tom Parker, Marcia Richie, Jerry and Elaine Waterbury

Lamb also recognized Jim Knight, who first volunteered in 1982, helping construct the TVA barges for the World's Fair exhibit in Knoxville.

"At 91, Jim has set the mark that BVI volunteers strive for — more than 12,000 hours," Lamb said.

And he recognized Glen and Delores Tankersley, who now have more than 9,250 hours of service.

National Emergency Assistance in 2012

Several retirees received National Emergency Assistance Outstanding Service Awards for their work to assist with recovery efforts following natural disasters such as floods, hurricanes, and ice storms:

With more than 30,000 hours — David McNabb

More than 15,000 hours — Lenny Johnson, Sam Shipman

More than 10,000 hours — Waylon Cottles, Tom Forsythe, Roy Fox, Ron Hamilton, Greg McKibben, Carl Sherer, Gary Willis

Attention TVA Retirees: Have You Registered with BVI?

Whether you're a new retiree or someone who retired long ago, take a moment to register with Bicentennial Volunteers Inc., if you haven't done so already.

BVI is a nonprofit organization operated by and for TVA retirees. Through BVI, you can get involved in worthwhile activities such as volunteer work, TVA contract work, and Federal Emergency Management Agency work.

Registration is quick and easy. Just visit the BVI Website at www.MyBVI.org and submit the short registration form.

You'll find interesting information on the BVI Website, such as the following:

- A Retiree Directory with listings for more than 4,000 retirees.
- The latest list of new retirees, posted each month, along with the "In Memoriam" list.
- Job listings for TVA contract positions, as well as information on volunteer work and FEMA work.
- Photo gallery with hundreds of retiree photos.

Registration is open to all TVA retirees, employees, former employees, and their spouses.

Spouses are welcome to participate in BVI volunteer work. However, TVA contract work and FEMA work are limited to retirees and former employees of TVA.

For more information, go to www.MyBVI.org.

TVA Annual Picnic Hosts Retirees from Across Valley

BY SUSAN LAUVER, Senior Strategic Specialist, TVA Executive & Employee Communications



Peyton Hairston

A crowd of more than 900 gathered on the scenic shores of Guntersville Lake for music, humor, and barbeque Sept. 14 at the annual TVA Retirees Picnic, one of the largest in recent years.

Open to all retirees, the event is organized by the TVA Retirees Association with lunch hosted by TVA. Staff from BlueCross

BlueShield, TVA Retirement Services, and TVA Employee Benefits & Wellness were on hand to share information and small gifts for retirees.

“Thank you for all you’ve done and for all you’re continuing to do for TVA,” Peyton T. Hairston Jr., Senior Vice President of Diversity & Labor Relations, told the group on behalf of TVA.

Guests at the event included TVA Director Barbara Haskew, who early in her career managed TVA’s Rate Staff for eight years.

Entertainment for the event featured humorist Sam Venable, an award-winning columnist for the Knoxville *News Sentinel*. He got laughter and applause in response to his satire on topics from the Weather Channel to prescription medicines.

In a serious moment, Venable said, “I can’t imagine what the Tennessee Valley would be today had the pioneers of TVA not climbed those ridges and started pouring concrete and stringing wire like they did.”

Retiree Buster Smith, known as “the picnic guy” for the Retirees Association, emceed the event, which took place at Guntersville’s Civitan Park.

The local Chamber of Commerce and Mountain Valley Arts Council helped the Retirees Association locate area musicians to entertain, and Guntersville Mayor-Elect Leigh Dollar welcomed the retirees.

TVARA President-Elect Suzan Bowman told the group, “TVA employees are some of the most dedicated employees

anywhere, and we take that dedication into retirement with us. This event is for all retirees, and we want to thank TVA for providing a lot of the resources for this picnic.”

Hairston encouraged retirees to speak out about TVA so that Valley residents know it better. While TVA has more than 23,000 retirees, about a third of its current workforce of just under 13,000 has been at TVA less than five years.

“You’re the legacy of TVA,” Hairston said.

For retirees from across the region, the event was about visiting longtime friends and meeting new ones.

“I heard about this from my friends, and it’s a great place to be,” said Sam Dias, who retired from Browns Ferry Nuclear Plant.

Doug Gallant of Chattanooga, retired from Power System Operations, also came to see old friends. He worked at TVA for 33 years and has worked since then with the Federal Emergency Management Agency through the retiree organization Bicentennial Volunteers Inc.

This was one of the largest picnics in recent years, and Retirees Association Executive Assistant Reba Whitson echoed the retirees’ appreciation for TVA’s support.

All TVA retirees are invited to the annual picnic; and TVARA’s 21 chapters across the region sponsor ongoing activities, including social and community-service projects.

Dues for the Retiree Association are \$15 per year, and TVA pays the first year’s dues for new retirees (see more details on membership dues on page 12).



Omer L. Johnson, right, of Russellville, Ala., at 101 was the oldest TVA retiree attending the picnic, accompanied by his grandson, Steve Johnson.



Above, newspaper humor columnist Sam Venable has the large TVA Retirees Picnic crowd “laughing out loud” at his comments — and he also had some serious praise for “the pioneers of TVA.” Below, top right, the crowd pours into the picnic tent for food, fellowship, and musical entertainment that included, from left, 15-year-old Maddie Arnold, 10-year-old Ayla Carrie Dewald, and the Mountain Echoes group, featuring, from left, Richard Sherrod, Wanda Duncan, Barbara Williams, and Jim Pregler.



EXPEDITION: ANTARCTICA, OUR HOLIDAY ON ICE

BY HOWARD ROSSER



Howard Rosser retired in 2007 as a Senior Manager in the Information Services organization, with 37 years of TVA service. His wife, Janice, is semi-retired, working part-time as a Software Design Engineer with SAIC in Oak Ridge, Tenn. The Rossers live in Farragut, Tenn.



Penguins walking on the rocky shore



Abandoned UK Base E (now a museum)



Icebergs near Cuverville Islands

A visit to the continent of Antarctica last year, including the crossing of the Antarctic Circle on an expedition ship, does not make one an Antarctic explorer like Scott, Amundsen, or Shackleton.

For several years my wife, Janice, and I had discussed the possibility of visiting Antarctica. From our own research and discussions with travel friends who had visited there, we decided to cruise on a small ship that would allow us to make several shore landings on the Antarctic Peninsula and to cross the Antarctic Circle.

We selected the Polar Circle Quest cruise, aboard the 200-passenger expedition ship Hurtigruten's MS Fram.

Background Information

Antarctica is the fifth-largest continent in area. About 98 percent of Antarctica is covered by ice that averages at least one mile in thickness. On average, it is the coldest, driest, and windiest continent and has the highest average elevation of all the continents.

It is considered a desert, with an annual precipitation of only eight inches. There are no permanent human residents, but various countries maintain research stations scattered across the continent, with a total population of anywhere from 1,000 in winter to 5,000 in the summer.

Antarctica is governed by the Antarctic Treaty, established in 1961 by an organization now including 49 countries. No country owns Antarctica or parts of Antarctica, but

there are many future territorial land claims (many overlapping).

On to the Antarctic Circle and Beyond

We departed on Jan. 30, 2011 (summertime in the Southern Hemisphere), on an overnight flight to Buenos Aires, Argentina. In Buenos Aires we immediately departed with a small group of fellow travelers to spend the day at an estancia (large estate) on the Pampas in the Argentine countryside.

We enjoyed fine food prepared over open fires, a folklore show with music and dancing, and entertainment from gauchos. The summertime temperatures were in the 90s.

The next day we flew to Ushuaia, Argentina, the southernmost city in the world. Outside Ushuaia we toured Tierra del Fuego National Park.

We also saw the southernmost post office and golf course in the world and the beginning (or end) of the Pam American Highway.

The summertime temperatures in this area were in the 50s.

After lunch we boarded MS Fram, a polar-expedition vessel built in 2007, and set sail down the Beagle Channel and into the Drake Passage.

There were 200 passengers on the MS Fram from 20 countries, the largest group from Germany (80), then the United States (29), and Great Britain (23). There were six passengers from Perth, Australia,

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and two from Vietnam.

All announcements and lectures were given in English and German. A very unusual safety drill was conducted to demonstrate how to put on your orange whole-body survival suit.



We joked that the orange suit was to allow rescue boats to spot our frozen bodies floating in the ocean.

Our crossing of the Drake Passage was unusually calm. This portion of sea between South America and Antarctica — where currents from the Atlantic, Pacific, and Southern oceans converge — is known for rough weather and high seas.

As we traveled south, we spotted penguins swimming in the open sea far from land. Their mode of swimming in open sea is called “porpoising,” because they leap in and out of the water like dolphins or porpoises.

Penguins spend most of their lives at sea and come onto land only to nest and molt. As we traveled farther south, we saw penguins and seals on sea ice and icebergs.

We had nine subject-matter experts on board who presented lectures

on subjects such as geology, geography, biology, ornithology, and glaciology.

Talks also were presented by the Operations Manager of the United Kingdom Antarctica Heritage Trust, a nonprofit organization dedicated to preserving historical stations/bases in Antarctica. Many of these abandoned research stations are now being preserved as museums. The lecturers also served as our guides on shore. The guides would go ashore first to assess the safety of our landing area and would take medical and food supplies, tents, etc., in case we were trapped on shore due to a rapid change in weather conditions.

We were divided into six groups for going ashore on eight-passenger Polar Cirkel boats. Before going ashore, we got dressed in long johns and appropriate layers of clothing, a windproof/waterproof outer layer, a life jacket, hats, and waterproof gloves.

Waterproof boots were supplied by the ship. The daytime temperatures usually were mid-30s to low 40s. Since we were so far south in the Southern Hemisphere during the summer, daylight lasted almost 24 hours per day.

Excursions on the Antarctic continent are strictly controlled, and great care was taken to prevent harm to the environment and the introduction of disease to the wildlife on shore.

Any backpacks we took ashore had to be vacuumed, and before boarding the landing boats we put on boots supplied by the ship, then

walked through a disinfectant.

We were instructed to keep a distance of three meters from the penguins, which don't have a fear of humans. Before entering the ship, our boots were sprayed with water to remove the penguin poop (and smell), and we again had to walk through the disinfectant.

Our first landing was at Deception Island, which is actually the center of a collapsed volcanic caldera, or basin.

The flooded interior of the caldera, Whalers' Bay, can be entered only through a navigable passage 330-foot wide. At one time it was a whaling station, evidenced by the whale bones on the rocky shore and the remains of a processing facility for whale meat and bones.

One activity on shore that we didn't participate in was initiation into the Polar Bear Club, which requires a dip in the freezing water. None of those who dared to dip could stay in for more than a few seconds.

Another stop was Cuverville Islands. These islands support the largest Gentoo penguin colony in the region.

We had great weather and scenery. The island was covered with hundreds of nests constructed of carefully chosen pebbles. The chicks were covered with fluffy down, and because of this they sometimes appeared to be as large as the parents.

The nests closer to shore were occupied by the more dominant birds, and other nests were on ledges and hills away from the water. We



observed a miniature “March of the Penguins,” as the parents had to waddle and hop up the hill to feed their chicks.

The chicks weren’t picky about who fed them, and it was common to see an adult being chased by several chicks demanding food.

One parent stayed with the nest at all times to protect the chicks from predatory birds, primarily skuas. We once observed several penguins banding together to fend off a skua trying to take their chicks.

Some of our other stops were at research stations established for surveying, geology, and meteorology research. Some of the stations are currently in use, and some have been abandoned.

The first we visited was Almirant Brown, a manned Argentine station at Paradise Harbor. I hiked up the snowy hill for the magnificent views and, rather than trudge back down, slid down the hill on my backside.

The most unusual station we visited was the Ukrainian Vernadsky Base, used for climate research. Vernadsky was originally British Base F built in 1947, closed in 1954, and then sold to Ukraine for £1.

The British had built a small pub

in the station complete with a bar, pool table, and a dartboard. The Ukrainians have been diligent in keeping the British traditions and memorabilia. They make vodka onsite and sell it at the bar, or they will give a free drink to women donating a bra — they have a large collection of bras.

Vernadsky has a small gift shop — “the most Southern gift shop in the world.”

Some of the stations we visited are abandoned and are being preserved as museums. It was interesting to walk through these and imagine the discomfort and hardships the previous inhabitants had endured.

Traveling between the various stops gave us the opportunity to view the majestic scenery and wildlife that make Antarctica unique. One highlight was the crossing of the Antarctic Circle at latitude 66° 33’ 44” south of the equator on Feb. 5. A crew member dressed as King Neptune conducted the crossing ceremony.

On Stonington Island, Marguerite Bay (at 68° 10’ S the southernmost portion of the trip) are two abandoned stations separated by 660 feet. UK Bay Base E, established in 1945-46 and used until 1975, consists of two wooden buildings and dog pens.

The larger, two-story building served as sleeping quarters, while the smaller building was a generator shed. The canned goods, dishes, generator, etc., are still in place as they were when abandoned.

The United States’ East Base was built during Richard Byrd’s third Antarctic expedition in 1939-1941. The United States preserved the buildings in 1990-1991, establishing a museum to display artifacts in one of the buildings.

Outside the building were bags of coal used for heating, a crated aircraft engine, and two converted military tanks with rubber tread, used as snow cats. The glacier across from the island constantly popped, cracked, and calved (or broke off) from the effects of a warm sunny day.

We continually passed through sea ice and around icebergs carved into strange shapes by the constant wind. Most of the sea ice/icebergs had penguins, seals, and/or birds.

We saw Antarctica’s two top predators, the leopard seal and the orca (killer whale). The leopard seal can reach 11 feet in length and can weigh up to 1,300 pounds.

The pod of three orcas gave everyone a scare when the whales appeared near one of the landing boats,

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Paradise Harbor

but they swam under the boat. They were larger than the small boat and could have easily overturned it.

While we were whale-watching in Wilhelmina Bay, the ship came upon two sleeping humpback whales, a mother and calf. The whales swam very close to the ship and began to dive and surface, almost as if they were showing off for us.

We cruised through the Antarctic Sound, known as “Iceberg Alley,” off the northeast coast of the Antarctic Peninsula. The wind was so strong that it was difficult to stand up on deck.

Huge tabular icebergs broken off of the ice shelves in the Wendell Sea are brought here by the Wendell Sea currents.

We cruised back and forth through the 30-mile sound, which has the most impressive display of LARGE icebergs we saw, some much larger than an aircraft carrier.

During the night we experienced the roughest seas of the trip, traversing the Bransfield Strait, and then passed through Nelson Strait to start back across the Drake Passage to Argentina, and eventually to Knoxville to colder temperatures than we had experienced in Antarctica.

Overall Impression

A trip to Antarctica is an overwhelming and unique experience, with continual ice-and-snow-covered mountains, glaciers, sea ice, and icebergs — not to mention penguins, seals, whales, and birds.

It is strange that a place with little or no vegetation (mostly lichens), no roads, towns, motels, hotels, etc., and very few people can be so intriguing and scenic.

It is not a trip for everyone, but Janice and I do recommend it highly.

Claims-Processing...continued from page 1

who participate in the TVA plan. In general, lab work, durable medical equipment, and specialty pharmacy items will be processed and paid as out-of-network if provided by contractors

Medicare Supplement...continued from page 1

TVA and Express Scripts (formerly Medco), the TVARA Health Committee has incorporated the projected savings into our rate for 2013.

Because of better-than-expected year-to-date results and projected 2013 performance in the medical portion of our plan, we were able to reduce the medical portion of the rate as well.

Next year will be the second time in three years that the premium has been reduced. The last time was in 2011, when the plan was restructured to help offset the impact of rising prescription-drug-plan costs.

Note: Remember that the premium amount does not reflect any pension supplement or contribution you may receive to help with the cost of your coverage

or suppliers not in the local state network where the service was delivered.

For example, if you live in Georgia and see a Tennessee physician, that physician must send your lab work to a laboratory that is contracted with BCBST. If you live in Georgia and see a Georgia physician, that Georgia physician must send your lab work to a laboratory that is contracted with BlueCross BlueShield of Georgia.

For Durable Medical Equipment, the provider must be contracted with the BlueCross plan where the equipment is delivered (if by mail), or picked up (if in person).

If the services are rendered by a provider who is not contracted with the local BlueCross plan, those services will be paid at the out-of-network benefit level.

If you have additional questions, call the BCBST Customer Service Center at the phone number listed on your ID card.

—PATRICIA MILLER, Chair, TVARA Health Committee

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done better with 20/20 hindsight.

“The duplicate-bridge-game reference is just a simple example. I am well aware our retirement security and the TVARS Board fiduciary duty is far more important than a card game.”

Funding Ratio

The TVARS funding ratio is around 80 percent, Bays said. “That is where it was when I joined the Board four years ago. Recovery is difficult with \$50 million in payments going out every month. We need TVA to make regular contributions to the Retirement System.”

Rumors

“Many retirees have seen the E-mails circulating about TVA’s turning the assets of TVARS over to an insurance company,” Bays said. “Over the past four years I’ve been on the Board, we have spent perhaps five minutes on that topic. It is mentioned in the rules as a way to annuitize payments to retirees, but we are trying to achieve an expected return of 7.25 percent, and there are no insurance companies that would agree to that. It might be a solution for a time when we are better-funded, so we should never say ‘never.’”

The Lawsuit

“The TVARS Board is prohibited by court order from disclosing specifics about the lawsuit due to a confidentiality agreement,” Bays said.

“We are in mediations with the plaintiff and TVA now. We have jointly hired a mediator, John E. Sands, whose task is to work with the three parties involved in the lawsuit to see if an agreement can be reached, which the judge would review for fairness and approve. We have had several mediation hearings this year and in the last few weeks. My hope is that we are past the place where we need the mediator now.”

Investment Returns

Through Sept. 30, TVARS assets totaled a little over \$7 billion, with estimated earnings of \$1.081 billion for an estimated fiscal-year-to-date return of 17 percent, with 9-percent volatility. The TVARS performance ranked in the top 35 percent of the 498 plans in the Wilshire Consulting total-fund universe. In the most recent three- and 10-year periods, TVARS was in the top 17th and 15th percentiles. “Our in-house staff, as well as our investment adviser, Wilshire, did an excellent job,” Bays said.

Other Business

The TVARS Board has been busy with other business as well.

Investment-management fees were reduced by \$2 million, Bays said. “We can thank {TVA Retirement Management

Director} Pat Brackett and thank {Project Manager, TVA Investment & Risk Management} Eric Davis for that.” The TVARS Board approved a tail-risk-hedging allocation to mitigate large losses on system assets in a severe equity-market downturn, Bays said.

An asset-allocation study was completed. “The board approved changes to the system’s asset-allocation policy that included additional asset-class diversification and maintained the long-term expected rate of return of 7.25 percent with 10.5-percent volatility. We kept the expected return the same, while lowering the risk.”

Brackett’s Retirement Management staff conducted more than 200 meetings and conference calls with current and prospective investment-management firms.

Other News

Bays is retiring from TVA on Feb. 8, 2013, since John Sevier Fossil Plant is closing. He does plan to finish his term on the TVARS Board, which ends on Oct. 31, 2013.

Last year more TVA retirees died than employees retired — 656 retirees passed away, and 564 people retired. TVA’s total number of retirees is 22,058.

Brackett and TVA Retirement Operations & Benefits Consultant Justin Vineyard attended 32 TVARA meetings last year, updating members on TVARS.

“Our in-house staff, as well as our investment adviser, Wilshire, did an excellent job”

Leonard Muzyn was re-elected for a fourth term on the TVARS Board. Last year less

than 20 percent of employees voted. This year it was up to 40 percent.

Bays said one of the best things the TVARS Board has done is to take fiduciary training. “Fiduciary duties mean our sole loyalty is to the membership, not the plan sponsor,” he said.

Transcripts of TVARS Board meetings are now available by request. Meeting minutes are available on the TVARS Website, listed under “Board Minutes” at www.tvars.com/aboutus.htm.

Some long-term numbers: In 2017 the liabilities of TVARS start trending downward. In 2025 the benefit payments start going down.

Good News

Bays saved the best news for last!

“January 2013 COLA is now calculated at 2.2 percent,” he said. “We still have one month to go — but we don’t anticipate much of a change in one month. The 2009 four-year rule change had it capped at 2.5 percent, so it is running under the cap.”



Savings on Vision Care for TVA Members

Accessing Your Vision Care Discount

EyeMed makes it as easy as 1-2-3 to protect your family's vision wellness.

1. Locate a provider. With EyeMed, members can choose from a diverse network of thousands of private practice and optical retail providers.

Members simply visit www.bcbst.com/learn/blueperks to log in to BlueAccess. Look for the BluePerks link to locate the nearest provider or call 866-688-4699.

2. Schedule an appointment with a simple phone call. Or members can stop by one of the many providers who offer walk-in appointments. Most providers offer evening and weekend hours to fit anyone's schedule. Routine eye exams are only \$50.

3. Present the BlueCross BlueShield Tennessee member ID card at the provider so the provider knows members have a vision discount.

As part of the BluePerks program, BlueCross BlueShield of Tennessee members are eligible for savings on vision through the EyeMed Vision Care network.

PLEASE NOTE YOUR DISCOUNT CANNOT BE COMBINED WITH ANY OTHER DISCOUNTS, COUPONS OR PROMOTIONAL OFFERS.

Focused on Vision Wellness

EyeMed's quality vision care program is important to every member of your family. Sadly, only 50% of Americans get regular eye exams despite the fact that most adults consider vision their most important sense. One in five people is at risk for vision loss, and many of the problems could have been addressed through proactive care.

Regular eye exams not only help correct vision problems, but comprehensive eye exams also can reveal the warning signs of more serious undiagnosed health problems such as hypertension, cardiovascular disease and diabetes. No matter what the age, eye exams are important to health.

With EyeMed, TVA members receive an eye exam for only \$50.

Unlimited Savings

Your EyeMed discount can be used as often as you like throughout the year and allows you to save on nearly all your vision care purchases.

Providers include:

LENSCRAFTERS®

PEARLE VISION®

sears
optical

OPTICAL®

jcp
optical

Private
Practitioners



BlueCross BlueShield of Tennessee Inc., an Independent Licensee of the BlueCross BlueShield Association



Vision Care Services	Member Cost
Exam with Dilation as Necessary	\$50 routine exam \$10 off Standard Fee for Contact Lens Fit & Follow-up
Complete Pair of Glasses Purchase*: frame, lenses and lens options must be purchased in the same transaction to receive full discount.	
Standard Plastic Lenses: (includes Scratch-Resistant Coating)	
Single Vision	\$55
Single Vision Dependents up to 19 (includes Polycarbonate)	\$55
Bifocal	\$75
Trifocal	\$85
Standard Progressive	\$140
Premium Progressive	30% off retail price
Frames:	
Any frame available at provider location	40% off retail price up to \$140, then 20% off balance
Lens Options:	
UV Treatment	\$12
Tint (Solid and Gradient)	\$12
Standard Polycarbonate	\$35
Standard Anti-Reflective Coating	\$40
Other Add-ons and Services	30% off retail price
Contact Lens Materials: (Discount applied to materials only)	
Disposable	0% off retail price
Conventional	15% off retail price
Laser Vision Correction**:	
LASIK or PRK	15% off retail price-or-5% off promotional price
Frequency:	
Examination	Unlimited
Frame	Unlimited
Lenses	Unlimited
Contact Lenses	Unlimited

*Items purchased separately will be discounted 20% off of the retail price.

THIS IS NOT INSURANCE

**Since LASIK or PRK vision correction is an elective procedure, performed by specially trained providers, this discount may not always be available from a provider in your location. For a location near you and the discount authorization, please call 1-877-5LASER6.

Member will receive a 20% discount on those items purchased at participating providers that are not specifically covered by this discount design. The 20% discount may not be combined with any other discounts or promotional offers, and the discount does not apply to EyeMed providers' professional services or contact lenses. Retail prices may vary by location.

This discount design is offered with the EyeMed Advantage panel of providers.

Limitations/Exclusions:

- Orthoptic or vision training, subnormal vision aids and any associated supplemental testing
- Medical and/or surgical treatment of the eye, eyes or supporting structures
- Corrective eyewear required by an employer as a condition of employment, and safety eyewear unless specifically covered under plan
- Services provided as a result of any Worker's Compensation law
- Discount is not available on those frames where the manufacturer prohibits a discount

Visit www.bcbst.com/learn/blueperks for more information or to locate providers.

In Memoriam

July 13, 2012 - Oct. 26, 2012

TVA Retirement Services received notifications of the previously unreported deaths of the following retirees for the period July 13 through Oct. 26, 2012, as well as other previously unreported deaths. They are listed with date of death (and date of retirement).

Abbott, Grady D.,
07/31/2012 (10/01/1988)
Abernathy, Leo,
09/05/2012 (12/26/1987)
Banks, Robert L.,
07/12/2012 (08/07/2001)
Biljak, Peter G.,
06/23/2012 (10/01/1988)
Blair, Malcolm C.,
08/21/2012 (08/02/1988)
Bledsoe, Woodrow W.,
08/07/2012 (07/30/1988)
Branch, David L.,
10/04/2012 (05/02/2004)
Britton, Billy J.,
08/17/2012 (09/30/1989)
Broyles, Charles W.,
10/02/2012 (10/17/1994)
Bruce, John D.,
09/26/2012 (06/22/1991)
Bryant, Lawrence A.,
09/11/2012 (08/06/1994)
Buchanan, Luther R.,
10/15/2012 (03/18/1990)
Buchanan, Dorris C.,
07/21/2012 (09/27/1997)
Carbine, Edward W.,
07/24/2012 (05/18/1993)
Casson, Tony R.,
08/15/2012 (05/29/2004)
Cheatham, Hurley D., Jr.,
07/18/2012 (07/17/2012)
Cottles, Dalton E.,
09/18/2012 (04/27/1994)
Crittenden, James T.,
07/05/2012 (10/01/1988)
Croft, Dorve R.,
10/24/2012 (10/17/1994)
Dawson, Ronald K.,
10/13/2012 (01/07/2006)
Deck, Wilbur L.,
08/10/2012 (09/01/1983)
Donaldson, Herbert L.,
06/19/2012 (08/02/1988)
Earl, Donald W.,
09/12/2012 (08/03/1985)
Echart, Inda M.,
09/23/2012 (09/15/1984)
English, Bobby,
09/21/2012 (09/27/1997)
Ferguson, Harvey L.,
10/01/2012 (04/01/1993)

Fielden, Arnold L.,
10/21/2012 (05/02/1983)
Fox, John K.,
08/07/2012 (08/10/2002)
Goode, Cecil C., Jr.,
10/12/2012 (08/02/1988)
Granade, Hugh R.,
07/13/2012 (04/01/2000)
Green, Martha B.,
08/07/2012 (01/09/1982)
Griffith, Artie R.,
10/08/2012 (10/17/1994)
Hall, William M.,
09/29/2012 (10/01/1988)
Hamby, Harvey H.,
08/28/2012 (05/27/1995)
Hamby, B. Wayne,
09/07/2012 (12/23/2000)
Haynes, Frances W.,
10/14/2012 (09/15/1973)
Henderson, Walter G.,
07/03/2012 (04/29/1978)
Hendricks, E. Edward
10/02/2012 (07/23/1988)
Hibbett, Lester L.,
10/03/2012 (04/01/1993)
Hilliard, Sarah R.,
08/01/2012 (10/29/1983)
Hooks, Norris C.,
08/26/2012 (11/06/1985)
Hughes, Hubert W.,
07/13/2012 (08/01/1987)
Huskisson, Joseph J.,
08/07/2012 (09/17/1997)
Joiner, Grovis L.,
07/18/2012 (02/28/1981)
Lomax, Gloria Ann,
10/07/2012 (07/30/1988)
Maxwell, Barbara S.,
07/26/2012 (07/06/2011)
McClain, Donald C.,
08/26/2012 (10/17/1994)
McDaniel, Leo F.,
08/24/2012 (10/03/1987)
Miller, Charles R.,
07/17/2012 (08/06/2005)
Millican, Grady P.,
08/24/2012 (10/17/1994)
Mitchell, Coldon,
09/12/2012 (08/02/1988)
Moon, Joseph D.,
09/27/2012 (01/07/1984)

Morrison, Charles G.,
07/16/2012 (05/23/2009)
Morrow, Steve F.,
09/22/2012 (01/10/2004)
Murphy, Dester Gene,
10/07/2012 (07/23/1994)
Neely, James A.,
08/03/2012 (01/07/1984)
Northern, Paul G.,
08/17/2012 (08/06/1988)
Olson, G. Robert,
07/29/2012 (07/03/2004)
Pankey, James H.,
10/21/2012 (12/31/1994)
Philipi, Alfred W.,
09/15/2012 (09/27/1997)
Phillips, John F.,
07/28/2012 (10/01/1986)
Phillips, Jerry J.,
09/03/2012 (11/30/1980)
Price, Anthony D.,
07/25/2012 (11/20/2004)
Quinn, Hershel B.,
08/02/2012 (03/03/1990)
Ragland, J. W.,
10/16/2012 (01/01/2003)
Rainwater, Billy Joe,
08/26/2012 (06/16/1984)
Reid, Raddie L.,
07/23/2012 (01/07/2006)
Richeson, Michael W.,
09/26/2012 (06/23/1991)
Richey, Audrey W.,
09/23/2012 (07/27/1974)
Roberts, D. Glenn
09/25/2012 (10/01/1988)
Robinson, McArthur,
09/10/2012 (07/17/1990)
Rose, Charles P.,
09/25/2012 (09/17/1982)
Saeman, Walter C.,
08/03/2012 (04/09/1952)
Satterfield, Bart N., Jr.,
07/15/2012 (10/10/1998)
Schmidt, George B.,
07/17/2012 (05/19/1990)
Settles, Norman R.,
08/01/2012 (09/02/2004)
Shaw, Darrel E.,
08/08/2012 (09/10/1983)
Shaw, Cecil E.,
09/01/2012 (12/16/1989)

Shepherd, Harold
07/07/2012 (07/02/1988)
Smith, Claude H.,
07/29/2012 (01/10/1981)
South, Jimmy,
07/04/2012 (12/01/1990)
Springs, Percy D.,
09/13/2012 (12/28/2002)
Stooksbury, Maurice C.,
09/07/2012 (01/13/1979)
Sutton, Jimmy R.,
10/01/2012 (03/11/2000)
Tadlock, Elbert B.,
08/20/2012 (11/03/1992)
Tate, James S.,
09/04/2012 (04/10/1997)
Thompson, James L.,
09/24/2012 (08/27/1988)
Tollett, Charles D.,
08/16/2012 (08/02/2001)
Traugher, William L.,
08/18/2012 (10/17/1994)
Ulrickson, Lois P.,
08/28/2012 (01/05/1985)
Underwood, Lloyd E.,
08/17/2012 (09/09/2000)
Veal, Joyce A.,
10/09/2012 (10/16/1998)
Walker, Clinton S.,
07/13/2012 (01/09/1982)
Walker, Charles,
09/01/2012 (12/30/1989)
Watson, Willard D.,
09/28/2012 (09/15/1990)
Webster, Donald R.,
09/06/2012 (01/30/1988)
Weiss, Helene D.,
08/14/2012 (05/30/1979)
West, Frederick J.,
08/18/2012 (05/22/1990)
Westfield, Eric S.,
09/28/2012 (06/21/2008)
Whaley, John R., Jr.,
08/18/2012 (10/01/1986)
Willingham, Carlton M.,
07/15/2012 (05/29/2004)
Wilson, Giulia W.,
09/27/2012 (01/01/1982)
Wood, Doris V.,
07/29/2012 (10/01/1988)
York, Donald,
08/27/2012 (03/29/1992)

Upcoming December 2012 Chapter Meetings

BROWNS FERRY

December 11, 2012, Noon

Stanfield's Restaurant, Rogersville, Ala.

- Annual Christmas Meeting
- Entertainment by Frank Travis and Tanya Townsend

Terry Chinn, President

256-230-3660/terryandjanachinn@yahoo.com

CHATTANOOGA

December 11, 2012, 10 a.m.

Brainerd United Methodist Church, Fellowship Hall, 4315 Brainerd Road

- 10 a.m. – Meet & Greet
- 10:30 a.m. – Meeting; wrapping presents for the Children's Home

Tom Swanson, President

423-344-6892/twswanson@comcast.net

CLEVELAND

December 17, 2012, 10 a.m.

First Baptist Church, 1275 Stuart Road NE

- Program: TBA
- Annual Christmas Luncheon

John Austin, President

423-472-2720/austintnutfan@charter.net

FLORIDA

Autumn 2013

Patrick Hughes, President

321-392-3097/patnigi@yahoo.com

GALLATIN

December 12, 2012, Noon

King Solomon Masonic Lodge, East Main Street

- Guest Speaker: Tony Troyani, TVARS Board Member
- Christmas Pot Luck Luncheon; four \$25 door prizes
- Sing-along Christmas music with Ronnie Monday

Alfred R. Goguen, President

615-325-6938/goguen68@comcast.net

HUNTSVILLE

December 13, 2012, 10 a.m.

TVA Offices, 4960 Corporate Drive Suite 125F (Ph. 256-430-4800)

- Short program: TBA
- Annual Retiree Group Lunch

Vernon L. Moore, President

256-353-8408/vlmoore@pclnet.net

JACKSON

December 12, 2012, 9:30 a.m.

St. John's Masonic Lodge, 1341 N. Highland Ave.

- Program: Discussion and election of 2013 officers
- Catered lunch and entertainment, \$5 per person, **RSVP** by calling 731-424-4342

Paul Egbert, President

731-424-4342/egbertpaul@gmail.com

JOHNSONVILLE

December 13, 2012, 10:30 a.m.

Country Western Steakhouse, Camden, Tenn.

- Vote on 2013 officers
- Discussion of Nov. TVARA Board Meeting
- Bring canned food for the Food Pantry

Randall W. Clark, President

731-584-7629/rwclark29@charter.net

KINGSTON

December 10, 2012, 10:45 a.m.

Kingston Community Center, 201 Patton Ferry Road

- Christmas Musical Program
- Catered luncheon, \$7.50 per person, RSVP by **Dec. 5** to 865-376-1442 or 865-376-6163

Jerry Pickel, President

865-789-1269/dillies66@bellsouth.net

KNOXVILLE

December 6, 2012, 10:30 a.m.

The Foundry, World's Fair Site

- Guest Speaker: Pat Brackett, Director, TVA Retirement Management
- Annual Christmas Luncheon, \$10 per person, RSVP by **Nov. 30** by calling 865-632-4323 or E-mail rjwhitson@tva.gov

Howard W. Rosser, President

865-966-6158/hwrjhr47@tds.net

MEMPHIS

December 17, 2012, 11:30 a.m.

Dale's Restaurant, 1226 Main St. (Stalene Rd.), Southaven, Miss. 38671

- Program: Discussion and election of 2013 officers
- Discuss minutes of the November TVARA Board Meeting

David L. Teuton, President

901-212-3822/davidteuton@yahoo.com

MISSISSIPPI

December 11, 2012, 10:30 a.m.

Tupelo TVA Customer Service Center, 3197 Brooks Road, Tupelo, Miss. 38801

- Lunch, \$5 per person
- Christmas music by Dr. Rick Brooks

Robert "Bob" Smith, President

662-842-0467

MUSCLE SHOALS

December 12, 2012, 10 a.m.

Northwest Shoals Community College Building 115, Room 100

- Program: Health benefits update
TVA Retirement System update by Justin Vineyard & Pat Brackett
- Christmas music by Danita Luna
- Free lunch and door prizes

James F. "Jim" Green, President

256-766-7363/papa1222@hotmail.com

NASHVILLE

December 12, 2012, 10 a.m.

Piccadilly Cafeteria, 874 Murfreesboro Road

- Election of 2013 officers, collection of 2013 dues
- 11 a.m. – Annual Christmas Lunch, meal furnished for member and one guest

Charles P. Smith Jr., President

931-381-0255/charlesjewel@charter.net

NORTHEAST ALABAMA

December 11, 2012, 11 a.m.

Mud Creek Restaurant, Hollywood, Ala.

- Program: Eat a good meal and visit with retiree friends

Larry A. Hancock, President

256-437-8220/lah35772@gmail.com

PADUCAH AREA

December 18, 2012, 11 a.m.

Pizza Inn

- Guest Speaker: Pat Brackett, Director, TVA Retirement Management

- Extra door prizes

Ken Dickerson, President

270-442-9539/kenneth.dickerson@comcast.net

PARADISE

December 11, 2012, 10:30 a.m.

Catfish Dock Restaurant, Powderly, Ky.

- Program: Election and installation of 2013 officers

Darrell K. Sisk, President

270-934-8381/thesisks@logantele.com

PICKWICK

December 11, 2012, 10 a.m.

Pickwick Landing Inn

Pickwick Dam, Tenn.

- Program: Election of 2013 officers
- Christmas Bingo and door prizes

Charlotte Daniel, President

662-423-5377

UPPER EAST TENNESSEE

December 13, 2012, 11:00 a.m.

Price Community Center, Rogersville, Tenn.

- Christmas lunch catered by Russell Chapel AME Zion Church, cost \$12, RSVP by **Dec. 6** by calling 865-377-3078 or E-mail ken2kaye2r@comcast.net

- Guests – Pam Hoard, John Sevier Fossil Plant; and Les Bays, TVARS Board Chair

Kenneth "Ken" Rice, President

865-377-3078/Ken2kaye2r@comcast.net

WATTS BAR

December 10, 2012, 10:30 a.m.

Spring City Methodist Life Center

- Program: Installation of 2013 officers
- Catered meal for members with current dues paid, RSVP by **Dec. 7** by calling 423-365-9048

- Entertainment by Kings Trio

Kathleen Garrison, President

423-365-9048/eddiekathleen@bellsouth.net

WESTERN AREA

December 5, 2012, 10:30 a.m.

Paris Landing State Park Inn

- Program: Henry County High School Madrigal Singers

Larry Doyle, President

270-753-8250/sldoyle@newwavecomm.net



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**The Tennessee Valley Authority
Retirees Association**

400 West Summit Hill Drive SPT 5A
Knoxville, TN 37902

2013 Valleywide Officers



TVARA's Valleywide officers for 2013 include, from left, Alma Laurent, Secretary; Bill Osteen, Vice President; Suzan Bowman, President; and Liz McBee, Treasurer. As is customary, the immediate Past President, Theresa Habiger, also will be on the board, along with the chapter presidents.

TVARA Dues Notices for 2013 Coming Soon

TVA Retirees Association Dues Notices for 2013 will be mailed to retirees during the first week of January 2013.

The notices will be mailed to those who have not paid dues for 2013, but have paid in the past three years.

You will not receive a Dues Notice if you have already paid dues for 2013 or beyond. The expiration date for your TVARA membership (and accompanying subscription to this newsletter) is shown on the mailing label on this page, immediately above your name.

The Dues Notice envelope has an **outside top flap** that contains your Membership ID and your name and address. The **inside top flap** contains the reminder to pay your dues for 2013 by submitting a check for \$15 made payable to TVARA.

You can request a membership card by enclosing a self-addressed, stamped envelope. Detach the outside/inside flap along the perforated lines and insert inside the enclosed envelope, along with

your check (**do not send cash**), and a self-addressed, stamped envelope for a new membership card.

If you wish for your spouse to become a member, please include his or her name and payment with your dues.

If you have not paid dues in the past three years and would like to become a member, write a \$15 check payable to TVARA and mail to the following address:

TVA Retirees Association
SPT 5A-K
400 W. Summit Hill Drive
Knoxville TN 37902-9901

Civil Service Retirees also can become members of TVARA. They can do so by writing a check for \$15 made payable to TVARA and mailed to the above address.

Thank you for your continued support.

RICHARD T. WILSON
TVARA Membership Program Manager

Medicare Retirees To Get New Plan for Vision Care

Beginning Jan. 1, the vision-care discount plan for Medicare retirees will be administered by BlueCross BlueShield of Tennessee in partnership with EyeMed Vision Care.

To find a participating provider, visit www.bcbst.com/learn/blueperks, log in to BlueAccess, and look for the BluePerks link. You can also call 1-866-688-4699.

When visiting a network provider, simply present your BlueCross BlueShield of Tennessee ID card, so the provider knows you have a vision discount. You will no longer be able to use your Davis Vision discount card beginning Jan. 1.

For more information on the vision-care discount plan, see the BlueCross BlueShield of Tennessee flyer reprinted on pages 12 and 13 of this issue.