



Memorandum from the Office of the Inspector General

August 31, 2007

Kim R. Patterson, WT 4A-K

FINAL REPORT – INSPECTION 2006-522I – REVIEW OF TVA TRAVEL REIMBURSEMENTS

Attached is the subject final report for your review and action. Your informal comments to the draft report have been incorporated. Please advise us of your planned actions in response to our findings within 60 days of the date of this report.

Information contained in this report may be subject to public disclosure. Please advise us of any sensitive information in this report that you recommend be withheld.

If you have any questions, please contact Richard C. Underwood, Project Manager, at (423) 751-3108 or Gregory C. Jaynes, Deputy Assistant Inspector General, Inspections, at (423) 751-7821. We appreciate the courtesy and cooperation received from your staff during this review.

Ben R. Wagner
Deputy Inspector General
ET 3C-K

GCJ:SDB
Attachment
cc (Attachment):

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OIG File No. 2006-522I



Tennessee Valley Authority
Office of the Inspector General

Inspection Report

REVIEW OF TVA TRAVEL REIMBURSEMENTS

Project Manager
Richard C. Underwood

2006-522I
August 31, 2007

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EXECUTIVE SUMMARY

Tennessee Valley Authority (TVA) employees are reimbursed for travel and travel-related expenses via TVA's Employee Reimbursement System (ERS).ⁱ Based on ERS data beginning with fiscal year (FY) 1999, travel reimbursements have exceeded \$15 million each year with FY 2002 having the highest amount of travel reimbursements--about \$20.4 million. Most recently, total TVA employee travel reimbursements were over \$17.7 million in FY 2006. TVA travel reimbursements are governed by (1) TVA policies and procedures and (2) federal travel regulations.

We performed an inspection to assess the reasonableness of travel reimbursements where employees were (1) in travel status for an extended period of time and/or (2) received significant reimbursements. The scope of the inspection included all reimbursements made to employees during FYs 1999 through 2006. We found many TVA employees who received significant travel reimbursements and traveled to the same location for extended periods in multiple years. Therefore, we identified the top 100 travelers based on the number of days spent in travel status in a single location during FYs 1999 through 2006. In summary, we found for the eight years of travel reimbursements reviewed, there were 434 different TVA employees that were identified as a top 100 traveler during any of these FYs. During this period, the 434 individuals received reimbursements totaling over \$9.6 million. Further analysis of the travel days spent in a single location for the 434 TVA employees noted:ⁱⁱ

- For FYs 1999 through 2006, the yearly average number of days spent in travel status in a single location was 197 or 82 percent of the available working days.
- The lowest number of days a traveler spent in one FY in a single location was 128 or 53 percent of the available working days.

ⁱ Throughout this report, "travel reimbursements" refers to all reimbursements made through ERS to TVA employees. Our analysis of ERS data noted that only 3.8 percent of the total reimbursements could not be assigned specifically to travel-related expenses based on the expense type code. Since these amounts were immaterial to the whole, they were not omitted from our analysis and are included in the amounts identified as "travel reimbursements" in this report.

ⁱⁱ We used 240 as the available working days. This was calculated by adjusting 260, the normal weekdays in a year, by ten federal holidays and an average of ten annual leave days a year.

There were 105 instances of an employee spending 260 days or more in travel status in the same location during a FY, including one employee who spent all 366 days of FY 2000 in travel status in the same location.

We selected a judgmental sample from the 434 travelers and requested management to provide explanations/justifications for the extensive travel. While the organizations provided explanations, no documentation was provided to support that consideration was given to changing any official duty stations. Accounting Procedure 15 states, "Supervisors should give consideration to changing an employee's official station in lieu of paying continuous travel allowances if the employee is expected to remain at a temporary station for an extended period of time." Based on the documentation provided by management, the extended periods in travel status for most of the individuals in our sample appeared to be justified. However, the lack of specific justification for extended travel for several individuals over several years to one location raises questions about whether there may be cost savings opportunities.

We recommend that the Senior Manager of Disbursement Services: (1) reemphasize the importance of compliance with TVA travel policies and Accounting Procedure 15; specifically, the requirement for documentation of consideration and justification for not changing the duty station of employees in extended travel status; (2) reemphasize management's responsibility to adjust the maximum actual expense reimbursement downward for travel assignments involving extended periods at temporary duty stations where travelers are able to secure lodging and meals at lower costs; and (3) require management to ensure that employees reimbursed for extended periods of travel are actually maintaining a residence at their official duty station and in fact incur extra costs due to travel.

BACKGROUND

Tennessee Valley Authority (TVA) employees are reimbursed for travel and travel-related expenses via TVA's Employee Reimbursement System (ERS).¹ Based on ERS data beginning with fiscal year (FY) 1999, travel reimbursements have exceeded \$15 million each year with FY 2002 having the highest amount of travel reimbursements--about \$20.4 million (see Table 1). Most recently, total TVA employee travel reimbursements were over \$17.7 million in FY 2006. TVA travel reimbursements are governed by (1) TVA policies and procedures and (2) Internal Revenue Service (IRS) guidelines.

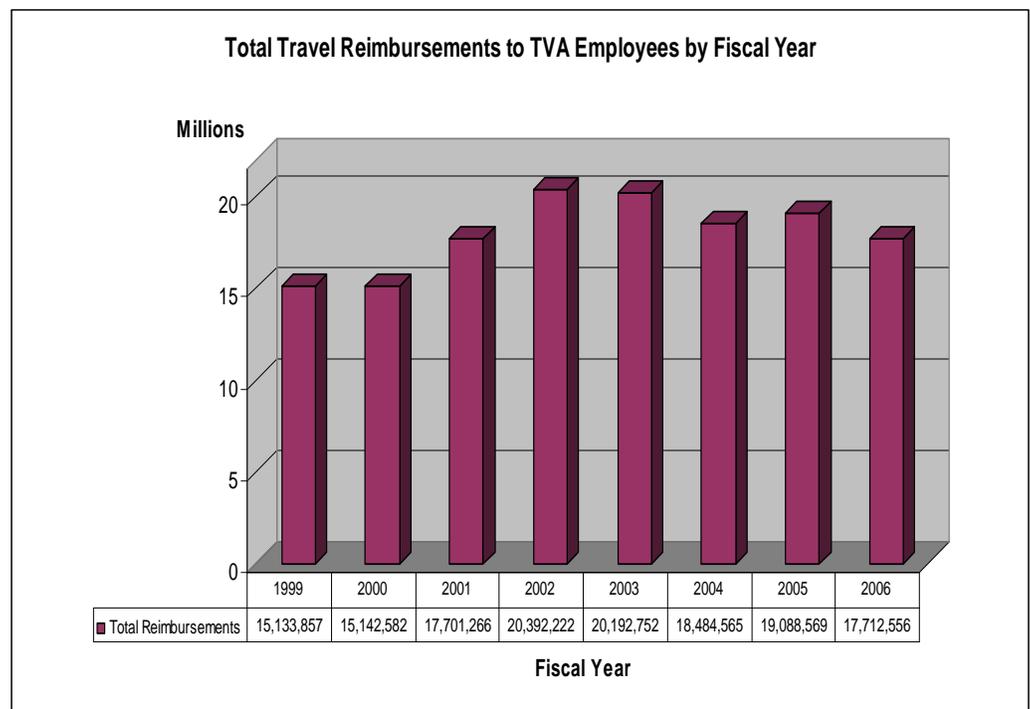


Table 1

TVA POLICIES AND PROCEDURES

TVA Business Practice 11 (1) describes what constitutes TVA business travel, (2) describes key processes related to travel arrangements and reimbursements, and (3) defines the roles of employees, Procurement,

¹ Throughout this report, "travel reimbursements" refers to all reimbursements made through ERS to TVA employees. Our analysis of ERS data noted that only 3.8 percent of the total reimbursements could not be assigned specifically to travel-related expenses based on the expense type code. Since these amounts were immaterial to the whole, they were not omitted from our analysis and are included in the amounts identified as "travel reimbursements" in this report.

Employee Accounting, and supervisors. That Business Practice states, "TVA's guidelines regarding reimbursable travel expenses are covered in the TVA Accounting Procedure 15, published by Employee Accounting." However, travel reimbursements applicable to our review period were also made under two Chief Operating Officer (COO) policies:

- The Flat Rate Policy which was eliminated in FY 2006.
- The COO Travel Guidelines for Actual Expenses.

ACCOUNTING PROCEDURE 15

Accounting Procedure 15 not only establishes guidelines on permissible expenses, but defines what constitutes official travel status and what must occur if extended periods of travel are incurred. Key provisions of Accounting Procedure 15 state that:

- Effective January 1, 1993, any reimbursements for travel expenses incurred in connection with employment away from the official station which is expected to last, or in fact lasts, one year or more are taxable to the employee and subject to income and FICA tax withholdings. Employee Accounting should be notified any time you have or expect to have an employee in this situation.
- Supervisors should give consideration to changing an employee's official station in lieu of paying continuous travel allowances if the employee is expected to remain at a temporary station for an extended period of time.
- For travel assignments involving extended periods at temporary duty stations where travelers are able to secure lodging and meals at lower costs, the authorized maximum actual expense reimbursement should be adjusted downward.

COO TRAVEL POLICIES

COO Travel Guidelines for Actual Expenses require COO supervisors to:

- Give consideration to changing an employee's official station in lieu of keeping the employee in continuous travel status if the employee is expected to remain at a temporary duty location for an extended period of time (i.e., 12 months or longer). Assignments of 12 months or longer require the approval of the appropriate senior vice president, vice president, or general manager.

- Document that a determination was made concerning transferring/not transferring an employee to the temporary duty location for long-term assignments.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of our review was to assess the reasonableness of travel reimbursements where employees were (1) in travel status for an extended period of time and/or (2) received significant reimbursements. The scope of the inspection included all reimbursements made to employees during FYs 1999 through 2006. To achieve our objective, we:

- Reviewed TVA policies and procedures and IRS guidelines related to travel reimbursements to determine key processes, requirements, and guidelines.
- Performed an analysis of travel reimbursements made to TVA employees during our review period by:
 - Summarizing data by employee and FY, as well as by organizational units.
 - Identifying the top 100 employees based on days spent in travel status in a single location during any FY.
 - Using Audit Control Language to identify any potential trends in travel reimbursements.
- Obtained and reviewed explanations for some travel activities. Specifically, we:
 - Selected a judgmental sample of employees identified as top 100 travelers based on extensive travel in multiple years to the same location.
 - The travel information for the selected employees was provided to the applicable organizations with a request to provide (1) specific reasons/justifications/work activities supporting the travel, (2) documentation indicating that relocating the employee was considered, and/or (3) documentation indicating that similar analyses had been conducted.
- Interviewed TVA management and reviewed Choice Point and other data to assess the reasonableness of some selected travel reimbursements.

This inspection was conducted in accordance with the PCIE “Quality Standards for Inspections.”

FINDINGS

We assessed the reasonableness of travel reimbursements where employees were (1) in travel status for an extended period of time and/or (2) received significant reimbursements. We found many TVA employees who received significant travel reimbursements and traveled extensively to the same location in multiple years.

While TVA organizations provided explanations for the extensive travel for selected employees, no documentation was provided that showed consideration was given to relocating employees remaining at a temporary duty station for an extended period of time. This consideration is required by both Accounting Procedure 15 and COO Travel Policies. Documentation of this consideration is required by the COO travel policies. Information obtained in our review indicates that potential cost savings may be achieved if such consideration was given.

EXTENSIVE TRAVEL TO THE SAME LOCATION IN MULTIPLE YEARS

We reviewed travel reimbursements made to TVA employees during FYs 1999 through 2006 to identify travel trends and areas of cost concentration. Our analysis found that many employees with significant travel reimbursements traveled extensively to the same location in multiple years. Therefore, we identified the top 100 travelers based on the number of days spent in travel status in a single location during FYs 1999 through 2006. In summary, we found for the eight years of travel reimbursements reviewed, there were 434 different TVA employees that were identified as a top 100 traveler during any of these FYs. During this period, the 434 individuals received reimbursements totaling over \$9.6 million. Further analysis of the travel days spent in a single location for the 434 TVA employees noted:²

- For FYs 1999 through 2006, the yearly average number of days spent in travel status in a single location was 197 or 82 percent of the available working days.
- The lowest number of days a traveler spent in one FY in a single location was 128 or 53 percent of the available working days.
- There were 105 instances of an employee spending 260 days or more in travel status in the same location during a FY.

² We used 240 as the available working days. This was calculated by adjusting 260, the normal weekdays in a year, by ten federal holidays and an average of ten annual leave days a year.

- An employee spent all 366 days of FY 2000 in travel status in the same location. The same employee spent 106 days in travel status at this location in FY 1999 and 176 days in FY 2001.

ORGANIZATIONAL JUSTIFICATIONS

We found 316 or 73 percent of the 434 employees identified as top 100 travelers were assigned to eight different organizations within TVA at the time of our analysis. These eight organizations were:

- Research & Technology Applications (R&TA) – 27 percent
- Power Service Shops (PSS) – 19 percent
- River Operations (RO) – 8 percent
- Browns Ferry Nuclear Plant Site (BFN) – 5 percent
- Heavy Equipment Division (HED) – 5 percent
- Electric System Projects (ESP) – 4 percent
- Inspection Services – 3 percent
- Watts Bar Nuclear Plant Site (WBN) – 2 percent

We selected a judgmental sample of the employees identified as top 100 travelers from the above listed organizations and provided organizational management their travel information, including number of days in travel status; travel location; and total reimbursements. For these employees, we requested the specific reasons/justifications/work activities resulting in the employee spending an extensive amount of time in one location during the FYs. We also requested any documentation indicating that (1) relocating the employee was considered and/or (2) TVA management had conducted analyses of extended periods of travel in the same city.

The selected TVA organizations provided explanations for the travel, but no documentation was provided that showed (1) relocations were considered and (2) analyses of extended travel had been conducted.

R&TA

We contacted the Senior Manager, Resource Management (RM), R&TA,³ to discuss the large number of individuals noted spending the majority of their time in travel status in the same city over several years. The majority of the individuals noted in R&TA had spent several years in either Terre Haute, Indiana, or in Pine Bluff or Little Rock, Arkansas.

³ R&TA is a TVA group within River System Operations and Environment.

We were told:

- Individuals had traveled as participants in RM's external contractual services program.⁴
- Travel expenses were being reimbursed to TVA by the third-party customer.
- The employees had not been relocated to the travel duty station at the request of the customers, based on their internal cost systems.

In addition, R&TA management informed us that after six months of travel, information regarding employee travel under the program is forwarded to Employee Accounting. This is to ensure that travel reimbursements will be accounted for and properly included in W2 information reported to IRS.

Based on the explanation provided by R&TA management, these reimbursements appear to be appropriate.

PSS

We provided employee travel data to PSS management, as shown in Appendix A. PSS management did not provide explanations for extended travel in the same location on a case-by-case basis, but provided an overall justification for PSS travel. (PSS's complete explanation is provided in Appendix A.) PSS's explanation did state that, "The PSS is looking at each of the employees on the extended list to ensure no changes are needed to the employees' official duty station assignment."

We believe this review by the PSS may identify some cost savings opportunities. For example, we found:⁵

- An Elevator Fixed Crane Inspector received \$158,140 or approximately \$19,767 per year in travel-related reimbursements over the last eight years. Virtually, all of the travel reimbursements were for the Chattanooga/Soddy Daisy, Tennessee, area.
- A PSS employee with significant days spent in travel status in Chattanooga, Tennessee, listed a post office box in Alabama as his/her home address (i.e., per information in TVA's People Warehouse). However, research indicates that this individual has maintained several residences in Chattanooga, Tennessee, since September 2004, even though his official station is still listed as

⁴ Management advised RM provides RSO&E services/technologies to TVA and external customers.

⁵ The examples cited for the PSS were based on ERS data.

Muscle Shoals, Alabama, in People Warehouse. From FY 2004 through FY 2006, this employee was reimbursed \$47,194 for 601 days of travel to Chattanooga, Tennessee. The majority of this amount was broken down in the following categories:

- Meals (\$6,481)
 - Flat Rate Travel (\$27,436)
 - Lodging (\$8,440)
 - Official Telephone Calls (\$2,200)
- A PSS employee with an official duty station of Clinton, Tennessee, was reimbursed \$52,958 for traveling to Kingston, Tennessee, during FY 2004 through FY 2006. According to People Warehouse, his/her mailing address and TVA phone number are to the PSS in Muscle Shoals, Alabama. It is approximately 50 miles from the employee's home address in Knoxville, Tennessee, to the Kingston Fossil Plant and approximately 15 miles from the employee's home address to Bull Run Fossil Plant. In essence, TVA paid this employee \$53,000 or \$81.35 a day to travel to Kingston, Tennessee. Further analysis of the employee's reimbursements found:
 - The employee was reimbursed \$38,758 for flat rate travel to Kingston, Tennessee, from FY 2004 through FY 2006.
 - The employee was reimbursed \$15,346 for mileage to Kingston, Tennessee, from FY 2001 through FY 2006. Of the \$15,346, \$11,650 occurred between FY 2004 and FY 2006.

Based on the documentation provided by management, the extended periods in travel status for many of the individuals in our sample appeared to be justified. However, the lack of specific justification for extended travel for several individuals over several years to one location raises questions about whether there may be cost savings opportunities.

HED

When requesting information on HED employees identified as top 100 travelers, they were included in the list with PSS employees at the request of Fossil Power Group management. The same comments would therefore apply.

RO

RO only had a few individuals that appeared in multiple years as a top 100 traveler prior to FY 2004. However, several individuals appeared in the top 100 travelers in both FY 2005 and FY 2006. RO management explained that all of the employees cited, with one exception, were

Hydro Tech II employees on a 14-month training assignment at either Watts Bar Dam or Wilson Dam. RO management told us that the other individual had been working on the work management processes in Chattanooga, Tennessee, and while there is no written justification for his consistent travel, they have now relocated him to Chattanooga, Tennessee, permanently.

Based on the explanation provided by RO management, these reimbursements appear to be appropriate.

BFN

We asked BFN management about employees that were reimbursed for significant time in travel status from FY 2001 through FY 2004 in Terre Haute, Indiana. Management informed us that at the time of the travel these individuals were not working on TVA Nuclear projects, but were working as participants in RM's external contractual services program. R&TA management confirmed they were working under the program.

Based on the explanation provided by BFN management, these reimbursements appear to be appropriate.

ESP

ESP was found to have (1) a few employees spending the majority of their travel time over several years in the same location and (2) other employees receiving reimbursements for travel to Chattanooga which was listed as their official duty station. We provided travel information to Power System Operations' (PSO) management, as shown in Appendix B. PSO provided the following response:

The employees listed on the attached list are all part of Electric System Projects' construction organizations. Their work requires a large amount of travel as our construction projects are widely dispersed throughout the Valley. Projects vary in length from a few weeks to a year or more.

Because the work locations of these employees change so frequently, it is almost always more cost-effective to pay travel expenses rather than permanently relocate the employees. Administratively, most employees are assigned to our home office in Chattanooga (see the attached Labor Agreement). They are paid travel only if their work location is at least 40 miles from their residence and they obtain temporary lodging.

In the future, when travel expenses are reimbursed for work in Chattanooga, we will document approval for paying travel since Chattanooga is the administratively assigned home station.

Based on management's comments, these reimbursements appear to be appropriate.

INSPECTION SERVICES

Seven of the 12 individuals in Inspection Services identified as being top 100 travelers during our review period spent the majority of their time during consecutive years in travel status in a single location. We provided Inspection Services travel information, as shown in Appendix C. Inspection Services did not provide explanations for extended travel in the same location on a case-by-case basis, but provided an overall justification for Inspection Services' work activities (Inspection Services' complete explanation is provided in Appendix C). In summary, Inspection Services said their personnel are subject to assignment anywhere in the Valley and "individuals are chosen for a particular job that will serve in the best interest of TVA."

Management stated that Inspection Services is a centrally located group and indeed all of the individuals on whom we performed further review showed Soddy Daisy, Tennessee, as their official duty station. However, we selected six Inspection Services personnel for additional analysis and found various home addresses reported for the individuals that were not in the Soddy Daisy, Tennessee, area. Specifically:

- A NDE Specialist living in Viola, Tennessee, received reimbursements for travel to Huntsville, Alabama, an average of 240 days per year totaling \$45,207 over a seven-year period. Based on a review of information from Google maps internet site, the distance from Viola, Tennessee, to Soddy Daisy, Tennessee, and the distance from Viola, Tennessee, to Huntsville, Alabama, differ by approximately ten miles.
- A Technician appears to have lived in Dayton, Tennessee, since May 2004 but also appears to have resided in a trailer park in Tanner, Alabama, from March 2003 through 2004, as well as an apartment in Athens from August of 2003 through January 2005. This employee received travel reimbursements for 245 days in travel status in Athens, Alabama, in FY 2003 and continued to receive these reimbursements through FY 2006.

- A NDE Specialist appears to currently reside in Dayton, Tennessee, but also appears to have resided in Decatur, Alabama, from May 2003 through June 2004; October 2004 through May 2006; and July 2006 through January 2007 when our information was collected. This employee received travel reimbursements averaging \$25,855 per FY while in travel status in Decatur, Alabama, from FY 2004 through FY 2006.
- A Technician, QC, has an Athens, Tennessee, address listed as his permanent address in People Warehouse. However, his identified current address is a post office box in Muscle Shoals, Alabama, and his given home phone number appears to be for a cell phone from Florence, Alabama. This employee was in the top 100 travelers based on the number of days he spent in travel status in Muscle Shoals in FY 2003 and FY 2004. He was reimbursed \$22,167 and \$23,169, respectively, for this travel.

The above information indicates that all Inspection Services' personnel may not be centrally located, and the lack of specific justification for extended travel for these individuals over multiple years to one location raises questions about whether there may be cost savings opportunities available from relocation of official duty stations or realignment of job duties.

WBN

We provided WBN management the travel information, as shown in Appendix D. The explanation provided addressed the selected employees work activities and concluded that it was more appropriate for them to travel than relocate. Specifically, management stated:

The SR INST MECH INSTR and MAINT MECH INSTR/S are instructors who had been providing training at Sequoyah Nuclear Plant (SQN) because WBN did not have the facilities, equipment, mock-ups, etc. needed for this particular instruction (Instrument Maintenance and Multi-Skill). The MGR, DEV/RTATNAL SR was the Project Engineer for the recent Steam Generator Replacement Project at WBN. His permanent station is at SQN, where he first performed the same task for SQN-1. He worked temporarily at WBN to utilize his experience on this difficult task. He has now gone back to SQN to do the same job on SQN-2. The PM, Nuc Assurance was traveling on an 18 month rotational assignment at INPO in Atlanta. I believe that it was appropriate for each of these individuals to travel rather than relocate.

The explanation provided supports why much of the travel reimbursements were mileage costs. Specifically:

- TVA travel reimbursements to a SR INST MECH INSTR totaled \$23,000 from FY 2001 through FY 2005. All but \$16 was for mileage reimbursements. Based on information obtained, the individual traveled approximately 30 miles further from his home than he travels to his home duty station.
- TVA travel reimbursements to a MAINT MECH INSTR/S totaled about \$10,000 from FY 2003 through FY 2004. Based on information obtained, the individual traveled approximately 40 miles further from his home in Loudon, Tennessee, than he travels to his home duty station, WBN. From FY 2001 through FY 2005, the employee was reimbursed \$16,548 for mileage incurred traveling to SQN. In these five years, he spent 708 days in travel status, and an average of 141 days each of these years in Soddy Daisy, Tennessee.
- A MGR, DEV/RTATNAL SR spent the majority of his time from FY 2004 through FY 2006 at WBN in Spring City, Tennessee, and was paid approximately \$17,000 to travel 48 miles from his home in Hixson, Tennessee. The majority of these reimbursements were for mileage.

Based on management's comments, these reimbursements appear to be appropriate.

RECOMMENDATIONS

We recommend the Senior Manager of Disbursement Services:

- Reemphasize the importance of compliance with TVA travel policies and Accounting Procedure 15; specifically, the requirement to document consideration and justification for not changing the duty station of employees in extended travel status.
 - Consideration should also be given to requiring organizations to conduct regular reviews of travel reimbursements by employee and city visited to identify opportunities for cost savings through relocations and realignment of job assignments. The costs of relocations should be considered in these reviews and according to Disbursement Services the average cost is about \$50,000 per transfer.

- Reemphasize management's responsibility to adjust the maximum actual expense reimbursement downward for travel assignments involving extended periods at temporary duty stations where travelers are able to secure lodging and meals at lower costs.
- Require management to ensure that employees reimbursed for extended periods of travel are actually maintaining a residence at their official duty station and in fact incur extra costs due to travel.

Power Service Shops' Judgmental Sample

Job Title	CITY	Data	Fiscal Year								Grand Total	
			1999	2000	2001	2002	2003	2004	2005	2006		
ELEV-FIX CRN INSPC	CHATTANOOGA	Total Reimbursements	17,8037	11,882	21,902	26,880	13,072				91,540	
		Days in Travel Status	332	335	310	305	149				1,431	
	SODDY-DAISY	Total Reimbursements			972		10,819	20,262	26,488	19,850	66,600	
		Days in Travel Status			28		135	251	310	262	823	
SUPV, PSS FIELD	KINGSTON	Total Reimbursements		16,137	15,242	12,838		14,891			59,108	
		Days in Travel Status		180	156	144		173			653	
	OAK RIDGE	Total Reimbursements							12,810	16,220	29,031	
		Days in Travel Status							159	228	387	
	Other TN city	Total Reimbursements	9,342								9,342	
		Days in Travel Status	141								141	
	ROGERSVILLE	Total Reimbursements					11,872				11,872	
		Days in Travel Status					114				114	
MACH FMN	PADUCAH	Total Reimbursements	15,143	17,817	19,107			15,093	20,233	15,859	103,252	
		Days in Travel Status	169	194	191			149	188	146	1,037	
SUPV, PSS FIELD	MUSCLE SHLS	Total Reimbursements			11,808		23,943	24,162	27,871	15,460	103,244	
		Days in Travel Status			128		190	185	261	149	913	
MACH FMN	STEVENSON	Total Reimbursements				16,196	17,028	26,094	23,212	16,936	99,465	
		Days in Travel Status				167	173	264	222	206	1,032	
MACH	GALLATIN	Total Reimbursements						17,148	16,009	12,544	45,702	
		Days in Travel Status						177	159	120	456	
	MEMPHIS	Total Reimbursements			15,357	14,089	13,888				43,334	
		Days in Travel Status			126	118	110				354	
MACH	KINGSTON	Total Reimbursements							19,771	15,956	35,727	
		Days in Travel Status							182	155	337	
	PADUCAH	Total Reimbursements	13,578								13,578	
		Days in Travel Status	147								147	
	STEVENSON	Total Reimbursements				13,577		22,453			36,030	
		Days in Travel Status				139		232			371	
STFTR WLDR FMN	MEMPHIS	Total Reimbursements	14,858								14,858	
		Days in Travel Status	125								125	
	PADUCAH	Total Reimbursements		14,184	17,127				13,604	13,623	11,786	70,324

Job Title	CITY	Data	Fiscal Year								Grand Total	
			1999	2000	2001	2002	2003	2004	2005	2006		
		Days in Travel Status		149	174				136	131	119	709
MntSpecHEQ	NASHVILLE	Total Reimbursements						15,371	21,811	27,944	15,498	80,624
		Days in Travel Status						133	188	225	217	763
MACH FMN	PADUCAH	Total Reimbursements	10,641	11,279	16,026				12,678	17,503	10,332	78,460
		Days in Travel Status	123	124	167				128	171	106	819
STFTR WLDR	DRAKESBORO	Total Reimbursements				15,246	11,928					27,173
		Days in Travel Status				162	126					288
	KINGSTON	Total Reimbursements							18,504	18,345	12,855	49,705
		Days in Travel Status							174	165	147	486
SUPV, PSS FIELD	GALLATIN	Total Reimbursements		12,022	12,385				13,379	15,697	10,721	64,203
		Days in Travel Status		159	163				181	188	155	846
	MEMPHIS	Total Reimbursements				12,374						12,374
		Days in Travel Status				123						123
SUPV, PSS FIELD	STEVENSON	Total Reimbursements				30,361	20,724	12,900				63,985
		Days in Travel Status				300	208	135				643
MACH	NEW JOHNSNVL	Total Reimbursements							16,587	21,250	25,338	63,175
		Days in Travel Status							175	213	231	619
MACH	PADUCAH	Total Reimbursements		15,918	17,2734					14,796	12,181	60,169
		Days in Travel Status		170	172					181	145	668
MACH FMN	KINGSTON	Total Reimbursements							17,896	19,883	15,180	52,958
		Days in Travel Status							182	224	245	651
TecPrjCtIF	CHATTANOOGA	Total Reimbursements							14,558	17,510	15,126	47,194
		Days in Travel Status							239	183	179	601
MACH	CHATTANOOGA	Total Reimbursements								15,396	25,217	40,613
		Days in Travel Status								153	298	451
ELEV-FIX CRN INSPC	CHATTANOOGA	Total Reimbursements				12,292						12,292
		Days in Travel Status				148						148
	SODDY-DAISY	Total Reimbursements								15,421		15,421
		Days in Travel Status								186		186

Power Service Shops' Justification

"The PSS has reviewed the list of employees that have a significant number of travel days in one location for multiple years. The following items address this issue.

1. The PSS supports major maintenance activities such as turbine / generator refurbishments, motors, transformers, bushings, valves, pumps, etc. at all fossil, hydro, nuclear, and transmission locations throughout the valley. This necessitates a large group of employees to be in extended travel status for the majority of the year. Most employees travel to various locations based upon outage schedules and assignments. However, in some cases where repetitive outages occur frequently within a year's time such as Kingston fossil plant or Widows Creek fossil plant, an employee may spend the majority of his/her time at that location supporting the assigned work. This employee will still be used at other locations in the valley, but the majority of their time may be at one plant location (city). Since most employees' official duty station is at Muscle Shoals (PSS), this would result in that employee being in travel status at that plant location.
2. Some employees, due to unique skill sets and/or specific knowledge of a plant, may be better suited to provide services to that plant when possible. In addition, in an effort to strengthen customer/plant relationships, the PSS when possible tries to maintain some resemblance of a core group of employees at certain plants that are familiar to the plant team. However, as employees who work predominantly at other plant locations retire or move to other positions, the PSS has to move employees from one plant to another to provide the needed expertise. For example: A field supervisor who may be predominantly supporting the outages at the Widows Creek fossil plant for a few years may have to be reassigned to Johnsonville if his expertise is now needed there due to a retirement or other reason. This would require the PSS to pay travel relocation costs each time to relocate the employee.
3. While on the surface it may appear that some employees should have their official duty station reassigned to a plant location, this would cause much friction with employees who would refuse to relocate their home to that location and would request that they be put on travel to various plant sites and to not be at one site for multiple times in a single year. The PSS has tried unsuccessfully to do this in the past. The PSS submits bids for all work and the plant does not have to award work (outages) to the PSS. If the PSS locates (official duty station) employees to certain sites, and then some of the work is awarded to outside vendors (OEMs) then the PSS would be faced with relocating the PSS employees to another location and paying relocation costs in some cases.
4. As attrition of TVA employees increases and more are replaced with contract employees, this will become less of an issue since contract craft employees are not normally reimbursed for travel.
5. In the past the PSS has not specifically looked at each of these employees listed on this report to determine if their official duty station needs to be changed; however, the PSS does make changes to employees' official duty station assignments from time to time based upon specific business reasons.
6. The PSS is looking at each of the employees on the extended list to ensure no changes are needed to the employees' official duty station assignment."

Electric System Projects' Judgmental Sample

Jobtitle	Home Duty Station	CITY VISITED	Data	Fiscal Year								Grand Total	
				1999	2000	2001	2002	2003	2004	2005	2006		
Mgr, Contract Cnst	Chattanooga	CHATTANOOGA	Days in Travel Status	186	192	218							596
			Total Reimbursements	\$10,723	\$11,382	\$13,090							\$35,195
TRANSMNSN CONST FMN	Chattanooga	CHATTANOOGA	Days in Travel Status					177	168		148		493
			Total Reimbursements					\$4,941	\$3,865		\$2,593		\$11,400
Mgr, Contract Cnst	Chattanooga	CHATTANOOGA	Days in Travel Status	180	189								369
			Total Reimbursements	\$10,030	\$13,084								\$23,114
Right of Way Spec	Chattanooga	Other AL in	Days in Travel Status				170						170
			Total Reimbursements				\$11,147						\$11,147
		Other TN city	Days in Travel Status		180								180
			Total Reimbursements		\$9,533								\$9,533
TRANSMNSN CONST FMN	Chattanooga	CHATTANOOGA	Days in Travel Status							158	182		340
			Total Reimbursements							\$3,743	\$4,225		\$7,968
MGR,SUBSTAT MATLS	Knoxville	CHATTANOOGA	Days in Travel Status		164	154							318
			Total Reimbursements		\$10,768	\$10,864							\$21,632
BUS SPT REP-MULTI	Chattanooga	SHEFFIELD	Days in Travel Status		137		163						300
			Total Reimbursements		\$2,453		\$3,391						\$5,844
TRANSMNSN CONST FMN	Chattanooga	HUNTSVILLE	Days in Travel Status								215		215
			Total Reimbursements								\$19,200		\$19,200
ELECT	Chattanooga	JOHNSON CITY	Days in Travel Status							209			209
			Total Reimbursements							\$13,689			\$13,689
SPV, TRNSLINE CON	Chattanooga	CHATTANOOGA	Days in Travel Status			205							205
			Total Reimbursements			\$14,451							\$14,451
ELECT ENG,AREA ENG	Gray, TN	BENTON	Days in Travel Status	192									192
			Total Reimbursements	\$9,449									\$9,449
BUS SPT REP-MULTI	Chattanooga	Other AL in	Days in Travel Status				179						179
			Total Reimbursements				\$8,399						\$8,399
HV EQPT OP--P	Chattanooga	Other GA in	Days in Travel Status			174							174
			Total Reimbursements			\$11,941							\$11,941
BUS SPT REP-MULTI	Chattanooga	GILBERTSVLLE	Days in Travel Status			166							166

Jobtitle	Home Duty Station	CITY VISITED	Data	Fiscal Year								
				1999	2000	2001	2002	2003	2004	2005	2006	Grand Total
			Total Reimbursements			\$8,703						\$8,703
BUS SPT REP-MULTI	Chattanooga	Other GA in	Days in Travel Status						166			166
			Total Reimbursements						\$8,792			\$8,792
Right of Way Spec	Chattanooga	Other GA in	Days in Travel Status						159			159
			Total Reimbursements						\$9,166			\$9,166
TRANSMSN CONST FMN	Chattanooga	Other AL in	Days in Travel Status			147						147
			Total Reimbursements			\$9,815						\$9,815
SUPV, SUBST CONST	Chattanooga	CHATTANOOGA	Days in Travel Status								146	146
			Total Reimbursements								\$6,102	\$6,102
Mgr, Contract Cnst	Chattanooga	CHATTANOOGA	Days in Travel Status								142	142
			Total Reimbursements								\$14,309	\$14,309
				558	862	1064	512	177	493	367	833	4866
				\$30,202	\$47,221	\$68,864	\$22,937	\$4,941	\$21,824	\$17,432	\$46,428	\$259,848

Inspection Services' Judgmental Sample

Jobtitle	Home Duty Station	CITY	Data	Fiscal Year								Grand Total
				1999	2000	2001	2002	2003	2004	2005	2006	
NDE Specialist	Soddy Daisy	HUNTSVILLE	Days in Travel Status		273	210	239	254	278	198	229	1,681
			Total Reimbursements		\$6,510	\$3,894	\$4,148	\$5,399	\$5,498	\$7,821	\$11,936	\$45,207
NDE Specialist	Soddy Daisy	ATHENS	Days in Travel Status			157		266	282	321		1,026
			Total Reimbursements			\$4,429		\$26,123	\$29,706	\$27,547		\$87,805
		Other AL in	Days in Travel Status	215	218							433
			Total Reimbursements	\$13,298	\$14,462							\$27,760
Technician	Soddy Daisy	ATHENS	Days in Travel Status					245	341	328	143	1,057
			Total Reimbursements					\$18,482	\$28,303	\$25,972	\$7,899	\$80,655
NDE Specialist	Soddy Daisy	HUNTSVILLE	Days in Travel Status						339	332	335	1,006
			Total Reimbursements						\$33,670	\$32,959	\$29,438	\$96,066
Technician, QC	Soddy Daisy	MUSCLE SHLS	Days in Travel Status			170		293	275			738
			Total Reimbursements			\$3,948		\$22,167	\$23,169			\$49,285
		Other AL in	Days in Travel Status	165								165
			Total Reimbursements	\$5,706								\$5,706
Quality Specialist	Soddy Daisy	ATHENS	Days in Travel Status						217	358	291	866
			Total Reimbursements						\$16,578	\$30,578	\$25,567	\$72,723
NDE Specialist	Soddy Daisy	DECATUR	Days in Travel Status						319	255	247	821
			Total Reimbursements						\$32,894	\$24,353	\$20,319	\$77,566

Inspection Services' Justification

“The Inspection Services Organization is a centrally located group of approximately 50 quality control and nondestructive testing personnel. The group operates with a "zero based" budget and obtains full cost recovery from internal customers (Power Plants). Although ISO is a TVAN organization, we provide inspection services to all TVA's Fossil, Hydro, and Nuclear plants including the Power Service Shops, which requires constant travel to these locations. ISO employees are assigned to projects based on qualifications and certifications that match the existing needs across the valley. The types and lengths of projects vary considerably.

The individuals in the attached as an example have been supporting BFN Unit 1 restart including inspections on the other two BFN operating units and supported work at the Muscle Shoals Power Services Shops. These individuals as well as the other ISO staff are often assigned specific tasks during outage season and move around the valley accordingly to conduct the inspections or tests. Supporting BFN Unit 1 restart, plant outage schedules and other emergent work with personnel with the appropriate qualifications and certifications is certainly a logistical challenge. While individual preferences, qualifications, skills, etc. are considered before assignment, all ISO personnel are subject to assignment anywhere in the valley based on job description. Individuals are chosen for a particular job that will serve in the best interest of TVA. Now with BFN Unit 1 restart drawing to a close, these individuals will be assigned to other projects. We are already involved in conducting assessments and inspections for WBN Unit 2 construction estimates and look forward to playing an equal roll in completing the unit.”

Watts Bar Nuclear Site (WBN) Outlier Sample

Jobtitle	Home Duty Station	CITY	Level 5	Data	Fiscal Year								Grand Total
					1999	2000	2001	2002	2003	2004	2005	2006	
SR INST MECH INSTR	Spring City	SODDY-DAISY	WBN SITE	Days in Travel Status			150	190	202	204	161		907
				Total Reimbursements			\$3,729	\$4,766	\$5,109	\$5,071	\$4,331		\$23,007
MGR,DEV/RTATNAL SR	Soddy Daisy	SPRING CITY	WBN SITE	Days in Travel Status						193	195	167	555
				Total Reimbursements						\$5,713	\$5,979	\$5,558.18	\$17,250
MAINT MECH INSTR/S	Spring City	SODDY-DAISY	WBN SITE	Days in Travel Status					182	173			355
				Total Reimbursements					\$5,063	\$4,813			\$9,876
PM, Nuc Assurance	Spring City	ATLANTA	WBN SITE	Days in Travel Status						201	147		348
				Total Reimbursements						\$4,583	\$4,568		\$9,151