



Leonard J. Muzyn, Jr., CFA

Energy Market Analyst, Enterprise Planning, Chattanooga

25 Years of TVA Service

Education and Professional Designations: MBA in Finance, University of Tennessee, Knoxville. Earned the right to use the CFA (Chartered Financial Analyst) designation by passing three six-hour exams on investments, portfolio management, quantitative methods, economics, financial reporting, analysis, finance, and risk management. BS in Electrical Engineering, University of Pittsburgh. Member of the CFA Society of East Tennessee.

Previous TVA Experience: Elected TVARS board member for twelve years. Current chairman of the Audit Committee and vice chairman of the Investment Committee. Senior Energy Market Strategist, Chattanooga. Fuel Supply Analyst, Chattanooga. Financial Analyst, Knoxville. Control Analyst, Knoxville.

Other: Thank you for your continuing interest and support in protecting our Cash Balance, Original, and 401(k) benefits. For more information and future updates, please visit my TVARS blog site (<http://tvarsmuzyn.blogspot.com/>), friend me on Facebook, follow me on Twitter, and/or e-mail me at tvarsmuzyn@gmail.com.

The TVARS board and staff are currently working to:

- provide you with a new simpler menu of lower cost and better performing 401(k) investment options, including very low cost index funds. We plan to make these available by the end of the year.
- increase TVARS' independence and reduce potential conflicts of interest by signing a loaned employee agreement with TVA. TVARS employees would report to the TVARS board instead of TVA, yet would remain TVA employees. In addition, the board would be able to negotiate for services and office space.

Please express your thanks to the other TVARS board members and the TVARS staff for their continuing hard work on your behalf.

The lawsuit filed by TVA employees and retirees (plaintiffs) against TVA and TVARS (defendants) remains pending in Federal Court. The judge has yet to rule on several motions before her. The suit contests \$300 million in benefit reductions to our Cash Balance and Original pensions that were approved in 2009. The reductions with the highest overall dollar impact to employees were those affecting future cost-of-living-adjustments (COLAs).

On March 6, 2015, the TVARS board requested the court to:

- agree with plaintiffs that COLAs should not have been reduced.
- schedule a conference to determine remedies.

I continue to believe that the pension benefit reductions supported by TVA in 2009 were meant to be the first of many. I believe there would have already been additional benefit reduction attempts if not for the pending lawsuit.

The interests of TVA employees appear to be misaligned with those of TVA executives with regards to pensions. Our Cash Balance and Original pensions are currently funded at 61 percent with a \$4.8 billion shortfall. This is a larger pension shortfall than any of the six large utilities surrounding TVA. Yet, TVA continues to fully fund its executive pension while it defers more of our pensions' expenses into the future. TVA continues to contribute less to our pensions than the TVARS board recommends.

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