

## **TVA Revenues Expected To Decline**

Although TVA's payments of "In-Lieu-of-Tax" increased by over 15 percent from FY 2009 to FY 2010, cities and counties should not expect the trend to continue for FY 2011. TVA officials have recently predicted that payments will decline by an estimated 10 percent based on the first three quarters of actual data this year.

The decline is largely because TVA charges for the previous period included a fuel surcharge which was later refunded back to power providers. This resulted in a reduction in gross sales for the current period which directly affects payments to state and local governments.