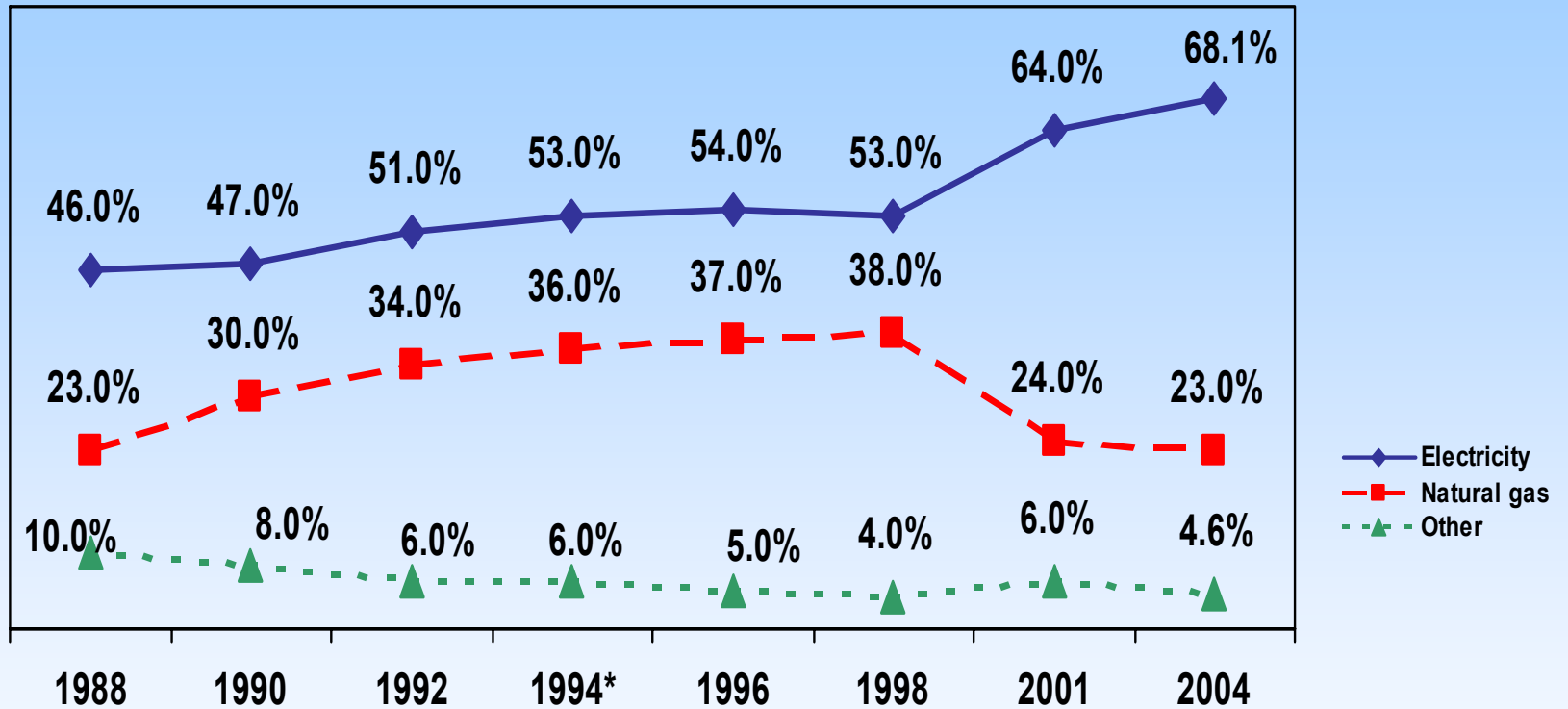


Consumer Energy Source Preferences

In 2004,
Valley residents
showed a **clear overall
preference for electricity
over natural gas.**

Consumer Energy Source Preferences

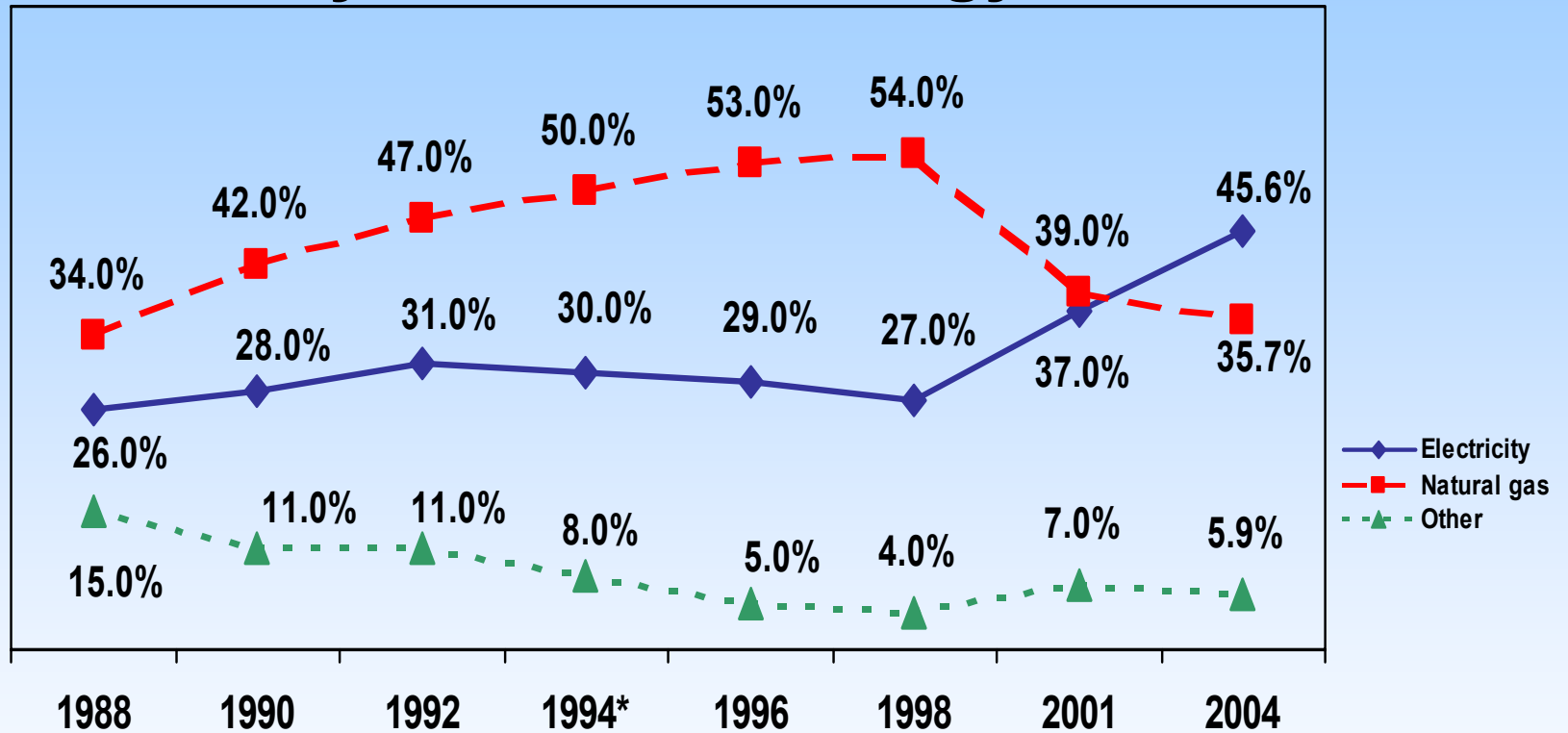
Electricity is the preferred energy source!



In 2004, Valley residents showed a **overall preference for electricity** over natural gas.

Consumer Energy Source Preferences

Electricity is the most energy efficient!



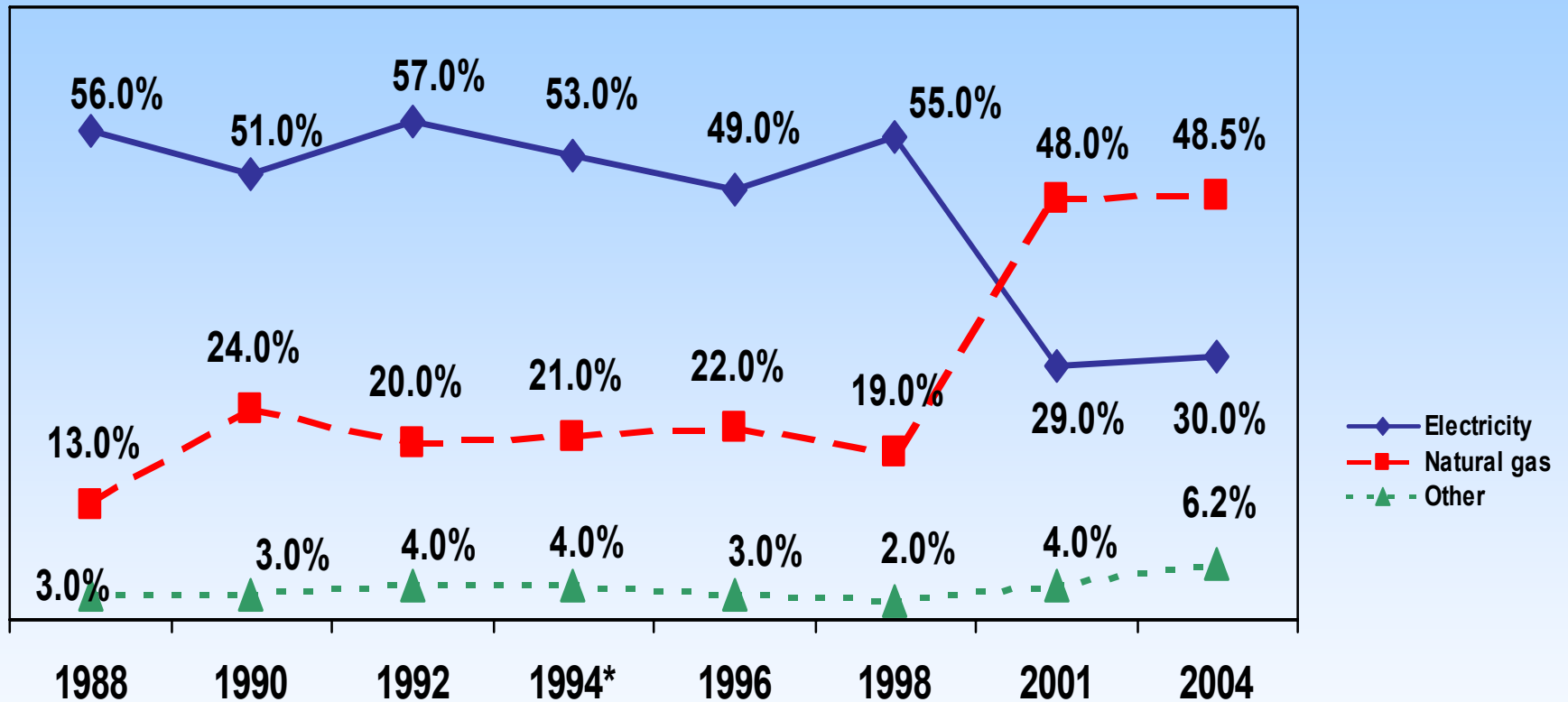
In 2004, electricity (46%) has for the first time overcome natural gas (36%) as **most energy efficient**.

*Source: 2004 TVA's Residential Saturation Survey

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Natural Gas Most Likely To Rise in Price!



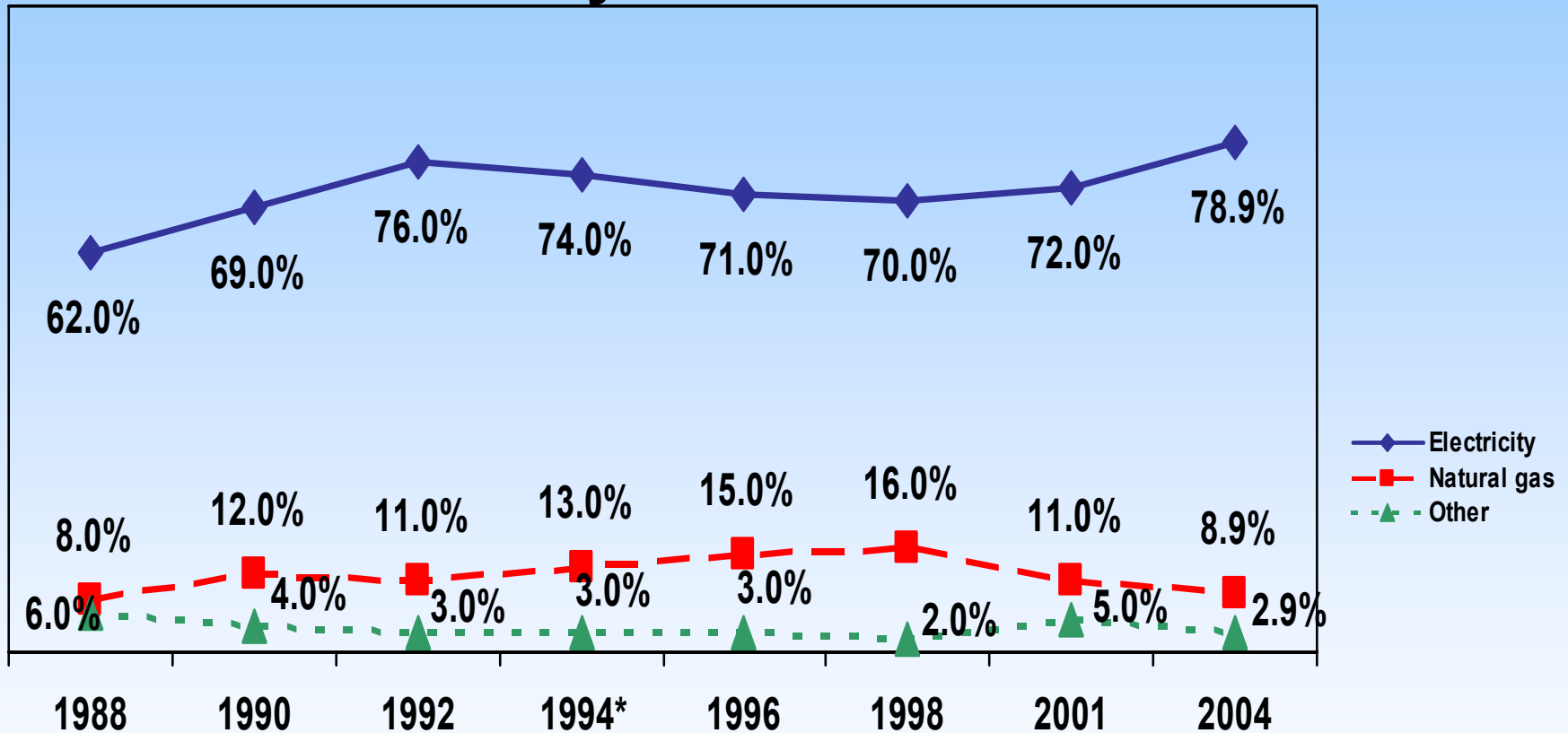
In 2004, Valley residents again viewed natural gas as most likely to rise rapidly in price (49%).

*Source: 2004 TVA's Residential Saturation Survey

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Electricity is the safest!



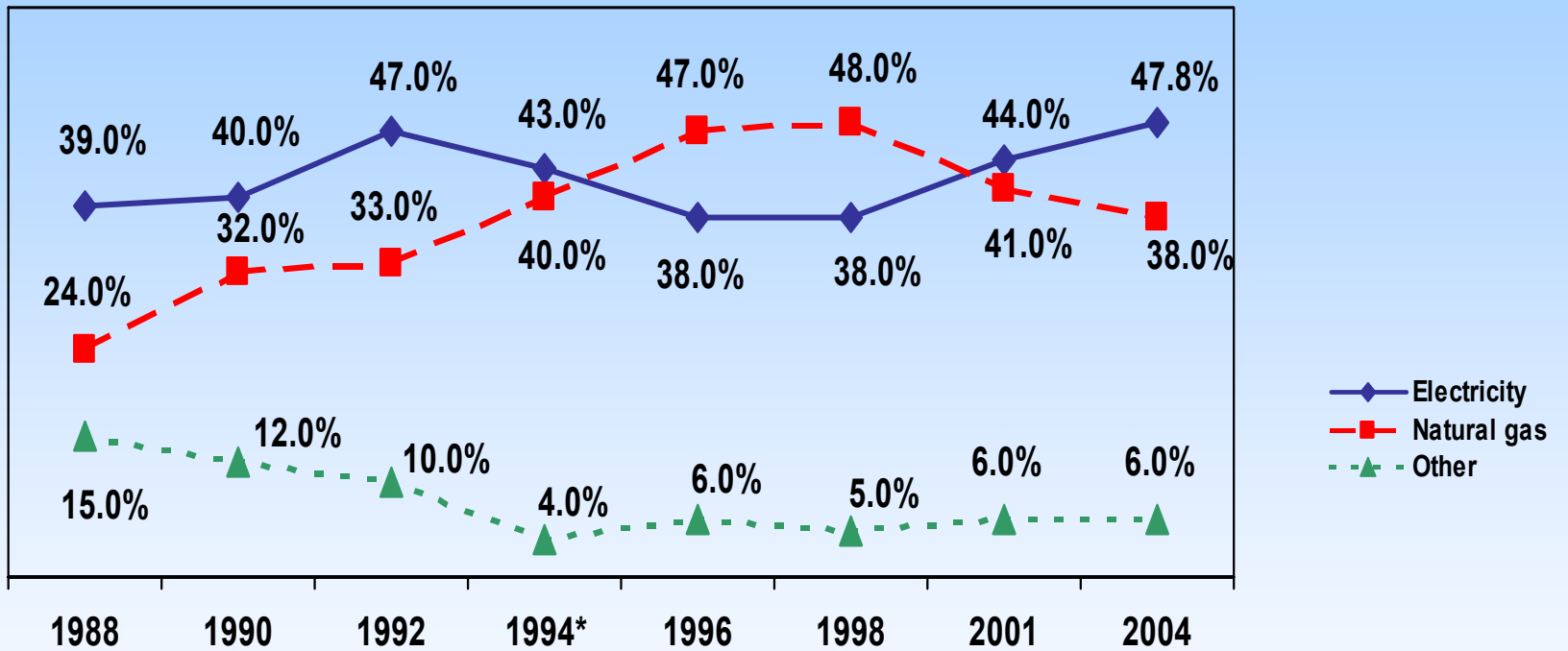
Electricity is the clear winner over natural gas on **safety**
(79% of customers view electricity as safest versus 9% natural gas)!

*Source: 2004 TVA's Residential Saturation Survey

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Electric Is The Most Reliable!



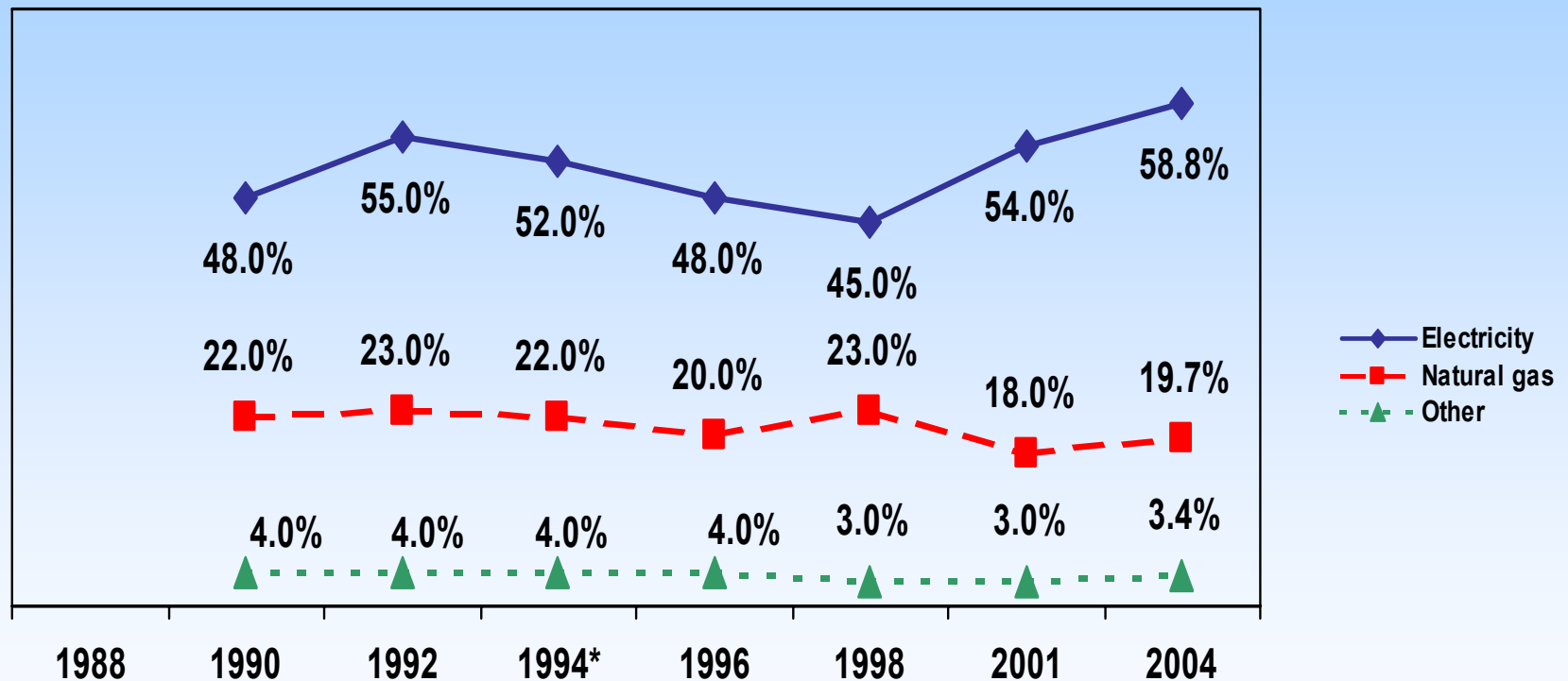
Valley residents rate Electric as the most reliable (48%) over Natural Gas (38%) and other energy sources (6%).

*Source: 2004 TVA's Residential Saturation Survey

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Electric – Best Quality of Service By Supplier**!



Valley residents rank energy right suppliers as the providers of the best quality of service over natural gas and other energy source providers.

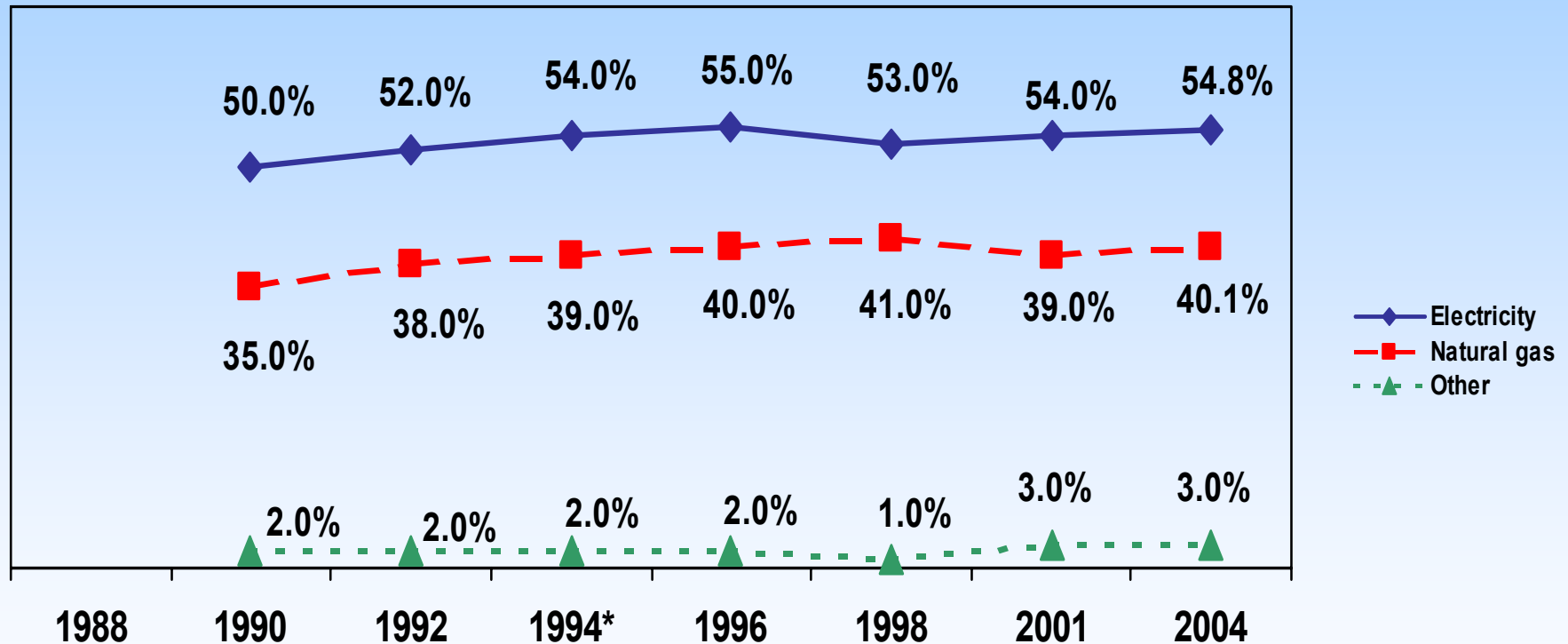
*Source: 2004 TVA's Residential Saturation Survey

** Not available for 1988

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Electric Is The First Choice For Water Heating!



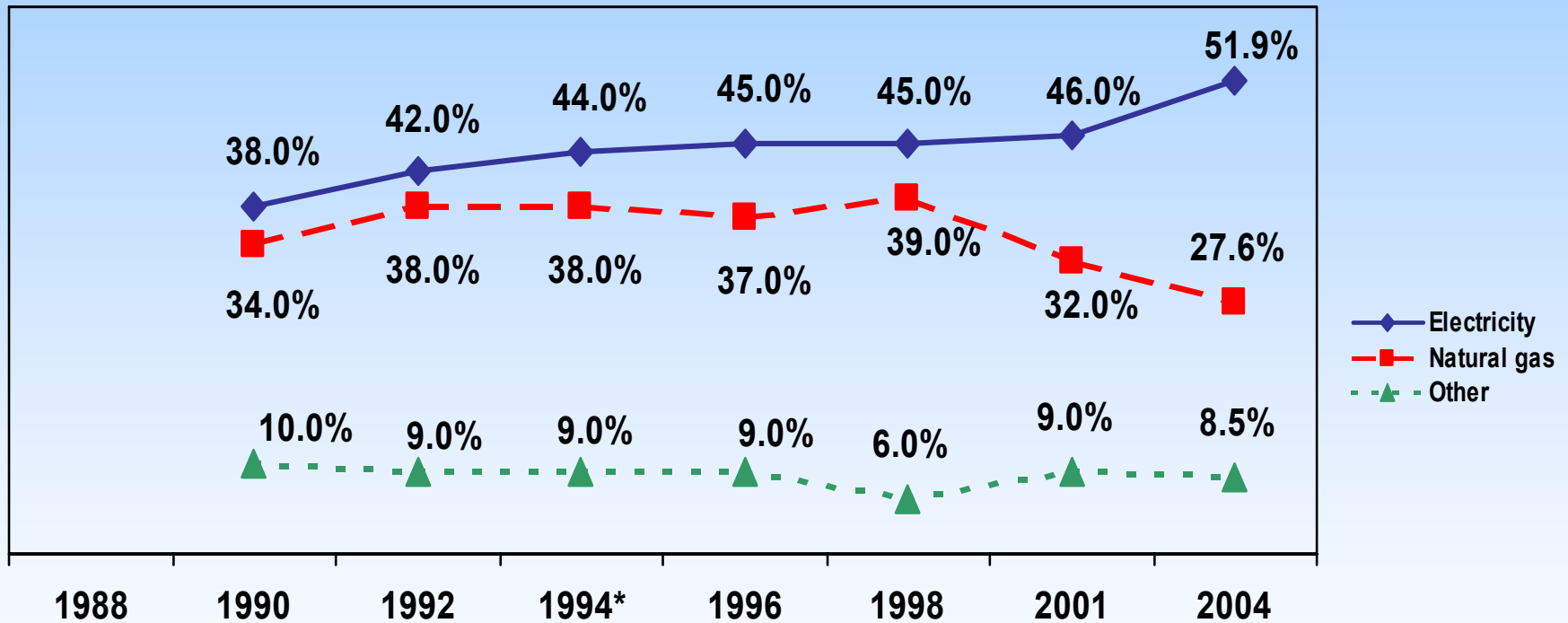
Over 54% of Valley residents select electric as their first choice for Water Heating!

*Source: 2004 TVA's Residential Saturation Survey

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Electric Is The First Choice For Space Heating!**



Nearly 52% of Valley residents choose Electric Space Heating as their number one choice.

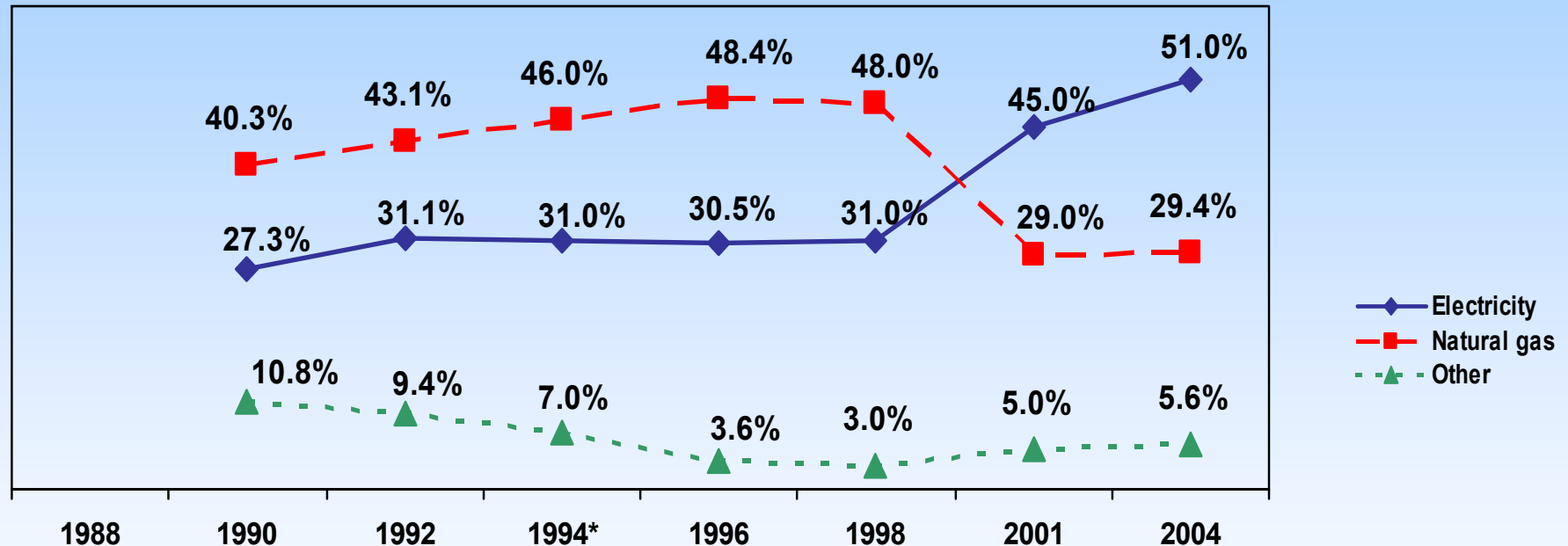
*Source: 2004 TVA's Residential Saturation Survey

**Not Available for 1988

*Estimates are interpolated for 1994.

Consumer Energy Source Preferences

Electric Offers The Best Value For The Money!



More than half (51%) of the Valley residents believe electricity offers the best value for their money.

*Source: 2004 TVA's Residential Saturation Survey

*Estimates are interpolated for 1994.