

[<<Back](#)

Report: TVA Headed for Financial Ruin

November 23, 2003

KNOXVILLE (WATE) -- A report set to be published Monday says the Tennessee Valley Authority is heading for financial ruin amid growing competition and climbing costs.

The report was previewed Saturday by Barron's Magazine. In it, Dennis Logue, dean of the University of Oklahoma's Price School of Business, and Paul MacAvoy, professor at Yale's School of Management, say the only thing keeping TVA out of bankruptcy is the inflated assets on its books.

TVA insists that its accounting statement accurately portrays its financial condition.

Logue and MacAvoy's report looked into TVA's financial figures, whose debts are backed the federal government. The professors concluded that TVA's liabilities exceed its assets, according to the Barron's article.

They said TVA's accounting statements show a net worth of \$1.07 billion, only because of excessive values placed on old, unfinished nuclear plants that may not ever operate.

TVA is the nation's largest public power authority. It was formed in the 1930's by Congress and sells power to 158 local distribution utilities.



All content © Copyright 2000 - 2003 WorldNow and WATE. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).