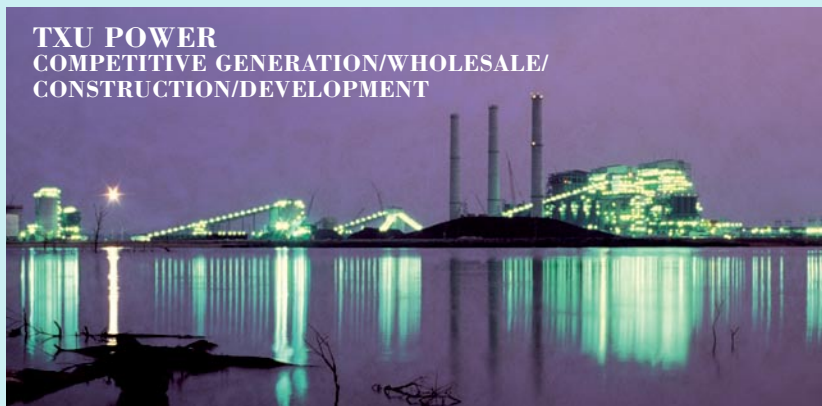




TXU'S BUSINESSES AT A GLANCE 2006 statistics unless noted.

STRUCTURAL ADVANTAGES

TXU POWER
COMPETITIVE GENERATION/WHOLESALE/
CONSTRUCTION/DEVELOPMENT



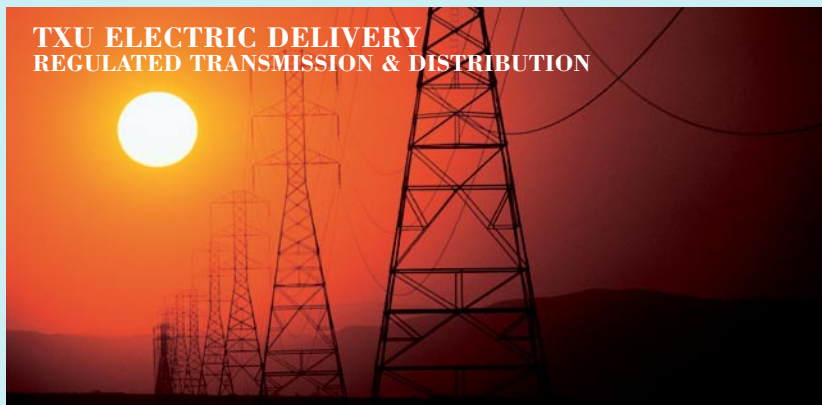
- > 2nd-largest competitive output
- > Low-cost lignite reserves
- > 63 TWh of baseload production in gas-on-the-margin market
- > Industry-leading performance and reliability
- > Access to largest ERCOT generation fleet
- > Incumbent regulatory advocacy and market design expertise
- > 2.2-GW active development program

TXU ENERGY
COMPETITIVE RETAIL



- > Large-scale competitive retailer
- > Loyal customers
- > Strong brand recognition
- > Superior service

TXU ELECTRIC DELIVERY
REGULATED TRANSMISSION & DISTRIBUTION



- > 6th-largest T&D company
- > Top-quartile costs and reliability
- > High-growth region
- > Efficient capital recovery
- > No commodity exposure
- > No retail customers



MISSION

- > Meet customers' power needs through operation, origination, and construction of the most efficient and environmentally friendly supply technologies
- > Manage customers' risks through wholesale products
- > Become the safest and most productive operator of baseload generation in the U.S.
- > Deliver best-in-class energy management services to internal and external customers

- > Become a national leader in competitive retail electricity by achieving industry-leading customer service and creating an innovative set of new products and services to meet customers' needs, including using electricity more efficiently

- > Become the most economical and reliable transmission and distribution service company in the U.S. through a commitment to redefine top-decile reliability and cost performance

PROGRESS IN 2006

- > Achieved TXU's highest annual nuclear power production, record refueling outage, excellent cost control
- > Achieved TXU's second-highest coal power production while delivering on-plan cost
- > Progressed toward industry leading since 2003, achieving an 8% improvement in baseload generation through the industry's top employees and unprecedented success of the TXU Operating System
- > Achieved top-decile safety
- > Committed to retrofit coal-fueled generation fleet to reduce key emissions 20% below 2005 levels
- > Initiated engineering design and pre-construction activities for 2.2 GW of new capacity

- > Continued to provide world-class customer service: call answer time averaged 11 seconds, a 96% improvement vs. 2003, and call satisfaction improved 10% vs. 2005
- > Launched innovative "Pick Your Plan" service offerings, giving customers unprecedented choice and benefits, including control, savings, flexibility, price protection, green energy, and energy-usage tools
- > Increased number of customers in markets outside the traditional service area by 16% in 2006
- > Reduced SG&A as a percentage of revenue vs. 2005
- > Remained the leader in assisting low-income customers, including distributing \$5.1 million through the TXU Energy Aid program to assist customers with bill payment
- > Continued up to \$25 million in discounts for low-income customers, remaining the only retailer to consistently provide the discount since state funding was redirected

- > Achieved top-quartile reliability
- > Continued to execute 3-year, reliability-centered capital expenditure plan, funded 75% through growth or tracker mechanisms
- > Constructed 300 circuit miles of transmission line and 500 circuit miles of distribution line
- > Continued to transform the network into the nation's first 21st-century broadband-enabled smart grid, including installation of over 213,000 advanced meters, 2,090 automated capacitor controls, and 225 automated smart switches
- > Continued superior cost management, achieving top-decile performance for O&M per MWh delivered, with wires charges 7% below the state average
- > Achieved top-decile safety performance