

Keeping Our Promises; Investing in Texas

Since October 2007 when the merger closed between TXU Corp. and an investor group led by KKR, TPG, and Goldman Sachs, creating Energy Future Holdings, the company has built a strong record of operational excellence, made major investments in Texas, and has strengthened important relationships within our community. We did it by keeping our commitments.

- We pledged open and productive dialogue with legislators, regulators, advocacy groups, and the communities we serve, and we have done that. Our executive leadership team has met hundreds of times with local, state, and federal elected officials.
- EFH's Sustainable Energy Advisory Board (SEAB) - comprised of members representing customers, economic development, environment, labor, reliability, and technology - continues to serve as a forum for discussion and collaboration.
- EFH cancelled 8 of 11 planned new coal units;
- EFH is on track with its \$150 million commitment over five years for low-income assistance including:
 - \$125 million over five years to fund TXU Energy's 10 percent low-income assistance program to reach a larger number of qualified low-income customers, and
 - \$25 million over five years to TXU Energy Aid, the largest bill payment assistance program in the nation among electricity providers.
- We are investing at least \$400 million over five years in energy efficiency, technology, and conservation programs at TXU Energy and Oncor to help consumers better manage their energy consumption and reduce demand – benefitting the environment and consumers.
- We annually donate millions of dollars to state and community charitable organizations. In 2009 alone, we donated ~\$12 million, making EFH the fourth-largest donor in the DFW Metroplex.

INVESTING IN TEXAS

In 2007, EFH began making almost \$10 billion investments in infrastructure, including upgrades to the grid, construction of new transmission lines, production of new power generation, and investments in emissions reduction efforts.

- EFH currently employs 9,100 people, a 21 percent increase from 2007. The investments in new power generation have created new, well-paying jobs for Texas. Luminant alone has hired 730 new employees in the past two years as it completes new plants.
- For employees, the company's success creates new jobs and career opportunities, provides supporting wages and healthcare for employees and their families, and supports and funds retirement and savings programs.

- Growth and investment in Texas means additional tax revenue to the cities and counties in which we operate.
 - Our businesses generate billions of direct and indirect spending for the state, and contribute millions in taxes for Texas schools.
 - Luminant is the fifth-largest property tax payer in the state of Texas, paying more than \$100 million annually. Luminant is the largest taxpayer in the communities in which it operates plants by a wide margin.

STRENGTHENING THE ENTERPRISE

Millions of people, including our 9,100 employees and 2.1 million customers, have a stake in our continuing long-term success. Since October 2007, our long-term view has informed the steps we have taken to strengthen the enterprise through:

- Expanding the investment in renewable energy and making Texas a world leader in wind generation;
- Building 1,500 circuit miles of transmission lines to bring wind from West Texas to the state's growing population centers; and
- Launching the largest smart-meter deployment in the country (already to more than 750,000 customers on the way to an eventual 3 million).

KKR AND TPG INVESTOR STATEMENT

“In 2007, we were able to invest in a great company in an industry in which we have significant prior experience. This is a long-term investment for us – one we committed to holding five years or longer – and we believe strongly in the fundamentals of this business. As a part of this investment, we made historic commitments to the environment, to the people of Texas, and to building new energy infrastructure.

Despite a difficult economy, Energy Future Holdings is keeping its word to the people of Texas. Today, EFH provides safe, reliable, and affordable power to the residents of Texas, has added both jobs and customers, and continues to make significant investments that will enable the continued growth of the Texas economy. EFH is led by an excellent management team, and we have the utmost confidence that the company will continue to strengthen its balance sheet and optimize its capital structure in the years ahead.” (2/26/10)

KEEPING OUR PROMISES

The transaction and company's new direction were supported by more than 100 statewide community leaders because of the pledges we made to our community, our state, our customers, our workers, and our environment. Even amidst the difficult economic circumstances of the last couple of years, this company is meeting its commitments.

BUT DON'T JUST TAKE OUR WORD FOR IT...

“EFH is an important part of the Texas competitive electric market and has lived up to the commitments it made when it acquired TXU. Electric customers today have more choices and can find the lowest prices on electricity since we deregulated. Texas residents and businesses continue to benefit from one of the most innovative electric markets in the country.”

- **Texas Senator Troy Fraser**, *Chairman of the Senate Business and Commerce Committee (2/26/10)*

“The commitments on global warming and other sustainable energy initiatives that KKR and TPG made in conjunction with the buy-out were groundbreaking and a big step forward. EDF and NRDC view this as a long-term partnership with continued opportunity and possibilities.”


- **Jim Marston**, *Director of the Texas Regional Office, Environmental Defense Fund* and **Ralph Cavanagh**, *Senior Attorney & Co-Director of NRDC's Energy Program (2/26/10)*

“In 2007 I was visited in my office by the investors who were buying TXU. I listened to their promises and wanted to believe they would do this for the people in Texas. Here it is 2010 and EFH and TXU Energy have kept their commitments to consumers, offering unparalleled assistance to low-income customers and customers in need. They committed \$150 million to customer assistance, combined with the voluntary moratoriums on disconnects in extreme weather, and other customer protection measures. Today those commitments are unmatched by any other company. That level of commitment is remarkable. They kept those promises from 2007 and more which makes a real difference in the lives of Texans.”

- **Karen R. Johnson**, *President/CEO, United Ways of Texas (2/26/10)*

“EFH plays an important role in the success of the competitive electric market in Texas, which in turn plays an important role in our State's economic development. As a member of the Sustainable Energy Advisory Board, I have been pleased to be part of the company's commitment to strengthening its relationships with its customers, both business and residential. There is no question that EFH is keeping its commitments, and I have confidence that it will continue to do so.”

- **Reginald Gates**, *President, Dallas Black Chamber of Commerce (2/26/10)*



“The strength of any company is bigger than just a balance sheet – it also depends on the strength of its relationships in our community and its commitment to customers. TXU Energy, an important corporate citizen of our town, and its parent company EFH are keeping their promises. I appreciate their openness and partnership.”

- **Chris E. Wallace**, *President and Chief Executive Officer, Greater Irving-Las Colinas Chamber (2/26/10)*

“TXU Energy has the most comprehensive program to assist low-income families and older adults that I know of.”

- **Jane Bavineau**, *Vice President of Sheltering Arms Senior Services & Executive Director of Care for Elders (2/26/10)*

“TXU Energy’s commitment to their customers and the community continues to provide comfort, safety, and financial relief to a lot of people in Texas.”

- **Zachary S. Thompson, M.A.**, *Director, Dallas County Health and Human Services (2/26/10)*

“Texans have benefited by a robust, competitive energy market. As an important player in this market, Energy Future Holdings and its related businesses have brought expanded and innovative choices to consumers, capital investment, and jobs in a tough economic climate.”

- **Peggy Venable**, *Americans for Prosperity – Texas (2/26/10)*

“TCA supported TXU Energy’s promise for immediate rate relief at the time of the company’s purchase, and we’ve been happy to see them honor that commitment. The company has also proven to be an industry leader on expanding consumer choice with innovative products for managing electricity bills and they continue to offer a superior low income assistance program.”

- **Sandra Haverlah**, *Texas Consumer Association (2/26/10)*