

TXU Responds to the Avian Flu Pandemic Threat

Expecting the Best; Prepared for the Worst



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TXU Response to the Avian Flu Pandemic Threat

When and Why TXU Started Looking at the Pandemic Threat

- Early warnings from Dept of Homeland Security & NERC
- NERC Assumptions about Pandemic
- Scope of TXU Contribution to TXU Grid
- Impact to Texas if a Pandemic Occurred and TXU Was Unprepared

Disaster-Response Veterans tackle the Unknown

- Executive Authorization of Pandemic Response Initiative
- Steering Committee Gets Employees and Experts Involved in Information Exchanges
- Teams work out Planning Categories and Response Phases

Emphasizing Virus Avoidance To Employees

- TXU Internal Video about Flu Prevention Posted On Intranet
- Hand washing Training video

Stocking up on Flu Prevention Materials

- Estimating Amounts of Flu Prevention Supplies Needed
- Reverse Auction Produces Big Savings

Getting The Word Up and Out

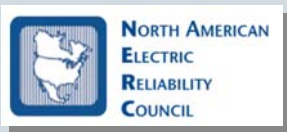
- Readiness presentations to TXU Senior Leadership Team & Board of Directors
- Online Presentation To Employees
- TXU Flu Vaccination Program – Why We're Doing It & Lessons Learned
- Integration of Pandemic Planning into Overall Business Continuity Readiness Program

Early Warnings



On December 8th, 2005 Representatives from TXU Power & Electric Delivery attended DHS session in Houston that addressed the question:

"What would you do if 40% of your workforce was unavailable?"



In December of 2005, NERC developed a document titled;

**Electricity Sector
Influenza Pandemic
Planning, Preparation, and Response Reference Guide**

TXU received a draft of the document in January of 2006.

TXU Pandemic Preparedness

NERC Pandemic Planning Assumptions

- The timing of an outbreak of a pandemic is uncertain.
- Once human transmission begins, the disease will be transmitted to populations around the world within 3 to 8 weeks.
- A pandemic will strike in at least two waves, each lasting six to eight weeks.
- The pandemic could last for 6 months.
- 25% of the general population would be very ill for up to a week.
- Absentee rates would range near 35 percent for the duration of the pandemic.
- Not enough anti-viral medicines or vaccines available for the entire population.
- It will be important to provide accurate and timely information to employees, labor organizations and government before and during the pandemic.
- Interdependencies with other segments of the electricity sector and other critical infrastructures as well as contractors and suppliers will be severely tested during an influenza pandemic.

TXU Pandemic Preparedness

Scope of TXU Involvement in Texas Electricity Grid

Produces electricity for 2.4 million customers

- Over 18,300 megawatts of generation
 - 2,300 MW of nuclear-fired
 - 5,837 MW of lignite/coal-fired
- One of the largest purchasers of wind-generated energy in Texas and North America.

Operates the largest distribution and transmission system in Texas, providing power to:

- Three million electric delivery points
- More than 100,000 miles of distribution lines
- 14,000 miles of transmission lines

TXU Pandemic Preparedness

If TXU Is Unprepared – The Impact of a Severe Pandemic on Texas

Mining production curtailed / PRB rail shipments slow or stop

- Diminished fuel supply closes lignite plants or forces ramp down
- Coal stockpile dwindles/disappears, causing out-of-fuel conditions

Power production reduced and/or less reliable

- Short Supply becomes everyday event
- Grid failure threatened / realized

Generation

Transmission line failures fixed more slowly or not at all

- Large areas lose power for extended/unpredictable periods
- Switching for construction is curtailed

Delivery

Struggle to maintain existing customer distribution network

- Essential service priorities result in rural & residential outages

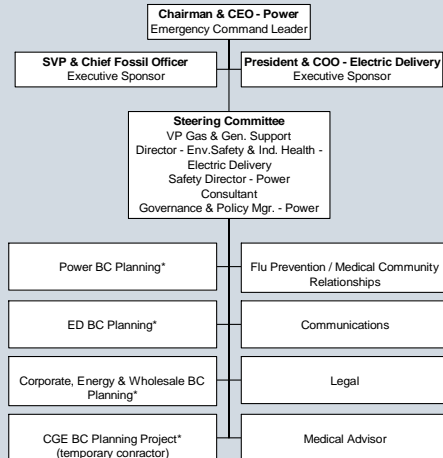
A Very Bad Situation Gets Much Worse If The Texas Grid Fails

TXU Pandemic Preparedness

Disaster-Response Veterans Tackle the Unknown

Small Working Group Presents Threat & Potential Impact To Stakeholders

- TXU Power SVP & TXU Electric Delivery COO Authorized a Steering Committee to Develop a Pandemic Response Plan
- Steering Committee Formalized Command & Control and Governance Structures



TXU Pandemic Preparedness

* Includes critical vendor interface / assurance

Disaster-Response Veterans Tackle the Unknown

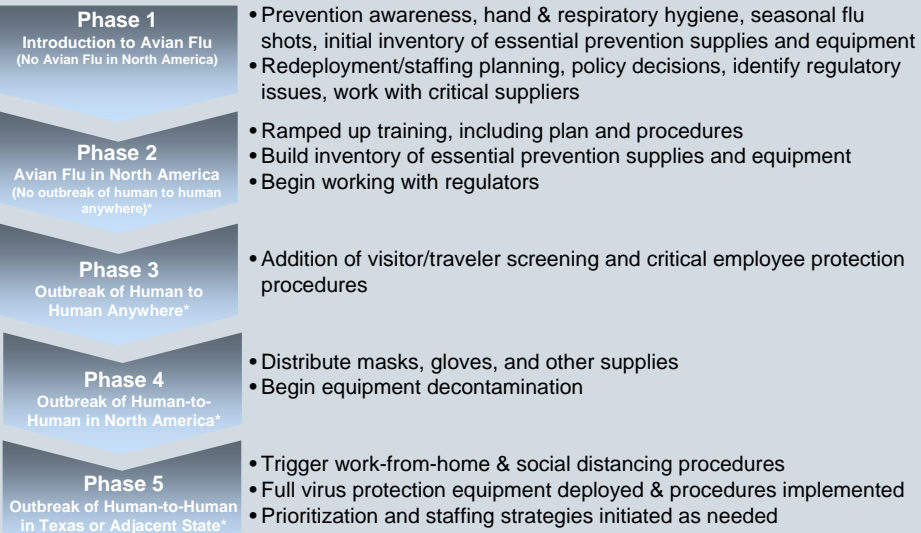
Planning Teams Develop 5 Part Plans

Area	Goal	Program Components
Flu Prevention	TXU employees & contractors experience a lower rate of flu onset and lower absence & mortality rates than the general population	<ul style="list-style-type: none"> • Training & awareness • Early illness identification • Virus avoidance techniques • Seasonal flu shots • Workspace decontamination procedures
Families	TXU employee families experience lower attack and/or mortality rates, when compared to similar statistics from the general population	<ul style="list-style-type: none"> • Education and support outreach from TXU to immediate families of all employees
Deployment	All Business Units are sufficiently staffed throughout the course of the event to ensure reliable power provisioning and continuity of critical business processes	<ul style="list-style-type: none"> • Critical task identification, staffing requirements, back-up skills inventorying • Individual and team social distancing and remote work promotion • Establish policy position regarding employee absenteeism, travel restrictions and transmission prevention procedures
Vendors / Suppliers	TXU's most important vendors/suppliers perform at a level that is sufficient to support our critical processes	<ul style="list-style-type: none"> • Requesting, reviewing and assisting in the creation or improvement of pandemic readiness among mission critical vendors/suppliers
Government	Levels of support and/or regulatory relief are provided to TXU so that we meet prevention and/or deployment targets	<ul style="list-style-type: none"> • Information gathering, plan sharing and expectation setting with local, state & federal agencies

TXU Pandemic Preparedness

Disaster-Response Veterans Tackle the Unknown

Response Phases Differ From WHO and NERC



TXU Pandemic Preparedness

* Outbreak based on "larger cluster spread" criterion of the World Health Organization. It is possible that the Avian Flu threat could escalate from Phase 1 directly to later phases.

Emphasizing Virus Avoidance To Employees

CEO of TXU Wholesale Business Unit & Director of Safety
Encourage Employees To Practice Virus Avoidance Habits



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Washing Hands Often and For 90 Seconds Isn't Good Enough; Online Training and Test Teach Employees The Right Technique

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Deciding What Flu Prevention Supplies Are Needed & Estimating Amounts

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Stocking up on Flu Prevention Materials

Reverse Auction Produces Big Savings

Bidder Company	MWBE Company ?	Rank	Final Bid Amount	Time of Bid	Start Price	Savings	Percent Savings
Company 'A'	No	1	\$253,641.00	Jul 31, 2006 2:03 PM CST(DST)	\$445,000	\$191,359	43.00%
Company 'B'	Yes	2	\$295,000.00	Jul 31, 2006 2:08 PM CST(DST)	\$445,000	\$150,000	33.71%
Company 'C'	Yes	3	\$296,065.00	Jul 31, 2006 2:12 PM CST(DST)	\$445,000	\$148,935	33.47%
Company 'D'	Yes	4	\$331,700.00	Jul 31, 2006 2:24 PM CST(DST)	\$445,000	\$113,300	25.46%
Company 'E'	No	5	\$365,000.00	Jul 31, 2006 2:21 PM CST(DST)	\$445,000	\$80,000	17.98%
Company 'F'	Yes	6	\$370,000.00	Jul 31, 2006 2:24 PM CST(DST)	\$445,000	\$75,000	16.85%

Savings Based on \$445,000 Starting Price	\$191,359.00	43.00%
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TXU Pandemic Preparedness

Getting The Word Up and Out

- Readiness presentations to TXU Senior Leadership Team & Board of Directors
 - Pandemic Readiness Status Report to SLT on June 27th
 - Operational Risk Status Report to Board of Directors (including Pandemic) on May 18th
- Online Presentation To Employees

The collage consists of 12 numbered screenshots from a presentation titled 'Avian Flu Pandemic Threat'. The slides cover topics such as pandemic assumptions, response objectives, program goals, response phases, and employee actions. Key elements include the TXU logo, a globe, and various charts and text boxes.

TXU Pandemic Preparedness

Getting The Word Up and Out

TXU Flu Vaccination Program – Why We're Doing It & Lessons Learned

- Promote Healthy Behavior & Virus Protection
- Vaccination Is Avoided or Discounted By Many
 - Longer Lead Times & More Leadership/Persuasion

The screenshot displays the TXU Flu Prevention website. The top navigation bar includes links for HOME, VACCINATION, VACCINATION FAQ'S, INFO LINKS, and CONTACTS. The main content area is titled 'FLU PREVENTION' and 'TXU COVER.TEX.COM'. It features a 'Schedule by Date' section with a table of vaccination events and a 'FAQ's' section with various questions and answers.

Date	Time	Location	Address
Saturday 9/16/2006	9 am - 3 pm	Bankrock Service Center	7060 Windbrook Dr., Bankrock, Tx 75726
Saturday 9/16/2006	9 am - 3 pm	Mesquite Service Center	1545 Highway 1, Mesquite, Tx 75140
Monday 9/18/2006	10 to 11 am	Roundrock Service Center	2802 Texas Ave., Roundrock, Tx 78664
Monday 9/18/2006	10 to 11 am	Lufkin Service Center	3304 Lufkin, Lufkin, Tx 75901
Monday 9/18/2006	10 to 11 am	Metalum Service Center	1301 North Elm St., Metalum, Tx 75706
Tuesday 9/19/2006	10 to 11 am	Temple Service Center	201 W. Calhoun, Temple, Tx 76798

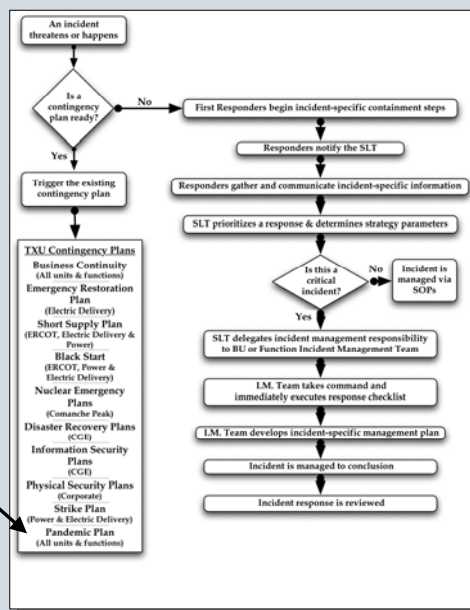
The FAQ's section includes questions such as 'What is the flu?', 'What are the symptoms of the flu?', 'When should NOT get a flu shot without consulting their physician?', 'How is the flu spread?', 'How is influenza diagnosed?', 'Can I avoid getting the flu where can I get vaccinated?', 'How is the flu treated?', 'What are the complications of the flu?', 'Should I see a doctor if I have the flu?', and 'Call the Health Center if you have the flu and if we did not answer your question click here'.

TXU Pandemic Preparedness

Getting The Word Up and Out

Integration of Pandemic Planning into Overall Business Continuity Readiness Program

- TXU maintains several contingency plans to protect against or mitigate the effects of various operational threats
- The Pandemic Plan is the most recent addition to this list of plans.



TXU Pandemic Preparedness