

EFH BANKRUPTCY FAQs

1. Who is Energy Future Holdings?

Energy Future Holdings (EFH) is the parent company of TXU Energy, 4Change Energy, and Luminant ET Services (ET Services) which are retail electric providers operating in Texas. EFH also owns Oncor Electric Delivery, which is a poles and wires company that provides electric transmission and distribution service within Texas. Finally, EFH owns a power generation company, Luminant Generation Company, which owns and operates a number of electric power generating plants in Texas that are used to supply customers with electricity.

2. What has happened? Are they going out of business?

EFH has filed for Chapter 11 bankruptcy. This is a financial restructuring and should not affect the day to day operations of TXU Energy, 4Change Energy, ET Services, Oncor or Luminant. The bankruptcy will give EFH a chance to manage its debt while continuing to operate TXU Energy, 4Change Energy, ET Services, and Luminant. Oncor is not part of the EFH bankruptcy and should not be affected by the bankruptcy.

EFH has filed a reorganization bankruptcy in which the company plans to restructure its debt obligations. EFH has represented to the federal bankruptcy court that this is a financial restructuring and should not affect the day-to-day operations of TXU Energy, 4Change Energy, ET Services, or Luminant. EFH has further represented to the court that Oncor is not part of the EFH bankruptcy and should not be affected by the bankruptcy reorganization.

3. What should I expect as a result of TXU's bankruptcy filing?

You should expect business as usual. EFH has requested the bankruptcy court to allow TXU Energy, 4 Change Energy, and Luminant ET Services (collectively "Customer Serving Companies") to continue all customer rewards programs and to continue serving all of their existing customer contracts including residential, small business, large commercial and industrial end-use customers within the ERCOT region, under existing contract terms. The

PUCT supports the request by the Customer Serving Companies to continue serving their respective customers without interruption and their plans to continue competing aggressively in the retail electricity market.

EFH has represented to the federal bankruptcy court that customers should expect business as usual. EFH has asked the court to allow the Customer Serving Companies to continue serving all of their existing customer contracts and to continue to honor all customer rewards programs. The PUCT has told the court that it supports this request for the Customer Serving Companies to continue serving their respective customers without interruption and supports their plans to continue competing in the retail electricity market. When the court approves this request (and while the request is pending), this means your contracts with any of the Customer Serving Companies will remain in effect.

4. Will my rates change?

Your rates should not change as a result of the EFH bankruptcy. Again, EFH has requested the bankruptcy court to allow the Customer Serving Companies to honor all of their existing customer contracts. If, as expected, EFH's request is granted, your rights as a customer of any of the Customer Serving Companies customer should not change as a result of the EFH bankruptcy.

EFH has asked the bankruptcy court to allow the Customer Serving Companies to continue serving all their existing customer contracts. When the court approves that request (and while the request is pending), your rights as a customer of any of these companies will remain in effect. EFH has also represented to the court that business will continue as usual. This means your rates would not change as a result of the bankruptcy.

5. I am on a fixed rate. Will my rate increase?

Your fixed rate should not change as a result of the EFH bankruptcy. Again, EFH has requested the bankruptcy court to allow the Customer Serving Companies to honor all of their existing customer contracts. If, as expected, EFH's request is granted, your rights as

a customer of any of the Customer Serving Companies should not change as a result of the EFH bankruptcy.

6. Will my service be disconnected, because of the bankruptcy?

No, your service should not be disconnected as a result of the bankruptcy proceeding. PUCT rules on disconnection that were in place before the bankruptcy remain in effect and apply to all of the Customer Serving Companies today just as they did before the bankruptcy.

EFH has represented to the federal bankruptcy court that this is a financial restructuring and should not affect the day-to-day operations of any of the Customer Serving Companies, Oncor or Luminant. This means PUCT rules on disconnection that were in place before the bankruptcy remain in effect and apply to the Customer Serving Companies today just as they did before the bankruptcy and your service should not be disconnected as a result of the bankruptcy.

7. I am on the rewards program with TXU or 4Change Energy. How will this affect my rewards?

TXU and 4 Change Energy have stated that they will continue to honor all of their current rewards programs. This request must be approved by the bankruptcy court. The PUCT expects that the bankruptcy judge will approve this request.

EFH has asked the court to allow TXU Energy and 4Change Energy to continue all of their existing customer rewards programs. The PUCT has told the court that it supports this request for TXU Energy and 4Change Energy to continue these programs. When the court approves this request (and while the request is pending), this means TXU Energy and 4Change Energy will continue to honor all of their current reward programs.

8. Can I switch companies without penalty?

EFH has stated its intention to continue serving all of their existing customers under the terms of their existing contracts. If the bankruptcy judge grants this request, the terms of your contract will not change as a result of the EFH bankruptcy. Therefore, you should review the terms of your current contract with any of the Customer Serving Companies to see how and under what conditions you may switch energy providers.

EFH has asked the bankruptcy court to allow the Customer Serving Companies to continue to serve all their existing contracts. When the court approves that request (and while the request is pending), your rights as a customer of any of the Customer Serving Companies will remain in effect as will the rights of the Customer Serving Companies. This means you should review the terms of your current contract with any of the Customer Serving Companies to see how and under what conditions you may switch energy providers.

9. I have a security deposit on file with TXU or 4Change Energy. What will happen with my deposit?

Your security deposit with TXU Energy or 4Change Energy should not be affected by the EFH bankruptcy. Your security deposit will continue to be protected by a letter of credit just as it was before the bankruptcy.

EFH has asked the court to allow TXU Energy and 4Change Energy to continue to protect these security deposits by a letter of credit. The PUCT has told the court that it supports this request. This means your security deposit will continue to be protected by a letter of credit just as it was before the bankruptcy.

10. Do I need to take any action?

No. You do not need to take any action if you want to continue to be served by any of the Customer Serving Companies.

EFH has asked the bankruptcy court to allow the Customer Serving Companies to continue serving all their existing customer contracts. When the court approves that request (and while the request is pending), your rights as a customer of any of these companies will remain in effect as will the rights of the Customer Serving Companies. This means you do not need to take any action if you want to stay on your current contract with any of the Customer Serving Companies.

11. Will the EFH bankruptcy affect my payment arrangement?

No. You will continue to receive service from and will also continue to receive a bill from TXU Energy or 4Change Energy. You should continue to pay your bill as you did before the bankruptcy.

EFH has asked the bankruptcy court to allow TXU Energy and 4Change Energy to continue serving all their existing contracts. When the court approves that request (and while the

request is pending), your rights as a TXU Energy and 4Change Energy customer will remain in effect as will the rights of TXU Energy and 4Change Energy. This means you will continue to receive service and a bill from TXU Energy or 4Change Energy and are obligated to pay your bill as you did before the bankruptcy.

12. Why is EFH in bankruptcy?

In a 2007 leveraged buyout, several financial entities paid \$42 billion for EFH, which included approximately \$36 billion in debt. After the purchase, wholesale electricity prices in Texas declined significantly, primarily driven by technological advances in the production of natural gas. As a result, although EFH's operations are strong, its profitability has declined, making it impossible to support its current debt load. In an effort to restructure this debt on its balance sheets, EFH is using the bankruptcy reorganization process. EFH has represented to the bankruptcy court that this balance sheet restructuring will not affect its daily operations, including its ability to service its customers.

13. Where can I find more information about the EFH bankruptcy?

More information is available on the following sites established by EFH at:
www.txu.com/efhrestructuring and www.energyfutureholdings.com/restructuring