



ISSUE OVERVIEW

- **Ground-Breaking Partnership:** TXU Electric Delivery and CURRENT Communications are creating the nation’s first broadband-enabled Smart Grid to serve approximately two million Texas homes and businesses.
- **Progressive Legislative and Regulatory Environment:** Texas has paved the way for this innovative solution, serving as an archetype for other states.
- **No Potential for Interference:** Utilizes CURRENT’s carefully-designed technology that ensures compliance with FCC rules, compatibility with existing licensees and seamless implementation universally documented not to cause interference.
- **Innovative and Cost-Efficient Solution:** Provides TXU Electric Delivery with monitoring and control capabilities that will vastly improve the performance of its electric network and its ability to serve its customers – without impractical capital investment.

SIGNIFICANCE

- **Public:** Provides a true “win-win” by advancing key public interest initiatives for both the communications and electricdelivery sectors.
- **Economic:** Spurs innovation, increases productivity and creates jobs in the utility, technology, manufacturing and communications/IT sectors.
- **Policy:** Addresses the federal government call for a 21st-century electric network that provides more reliable and affordable power to all Americans.
- **Consumers:** Increases capabilities that could help consumers and businesses manage energy costs, as well as provide many benefits derived from a more secure and stable power grid. Added competition for broadband data, voice and video services benefits *all* consumers.

BPL 101

Broadband over Power Lines (BPL):

Deployed on the existing electric distribution network, the technology transforms ordinary electric power lines into a versatile, general-purpose data network:

- **Smart Grid:** Increases the electricity reliability while maintaining efficient cost levels.
- **Consumer Broadband:** High-speed Internet connection accessible through electrical outlet in homes and businesses.

BPL SUPPORT

“We need to get broadband to more Americans ... one great opportunity is to spread broadband throughout America via our power lines.”

President George W. Bush

“It’s my hope that a year from now boards of directors and shareholders and customers are all asking utilities, ‘Why aren’t you in BPL?’ ”

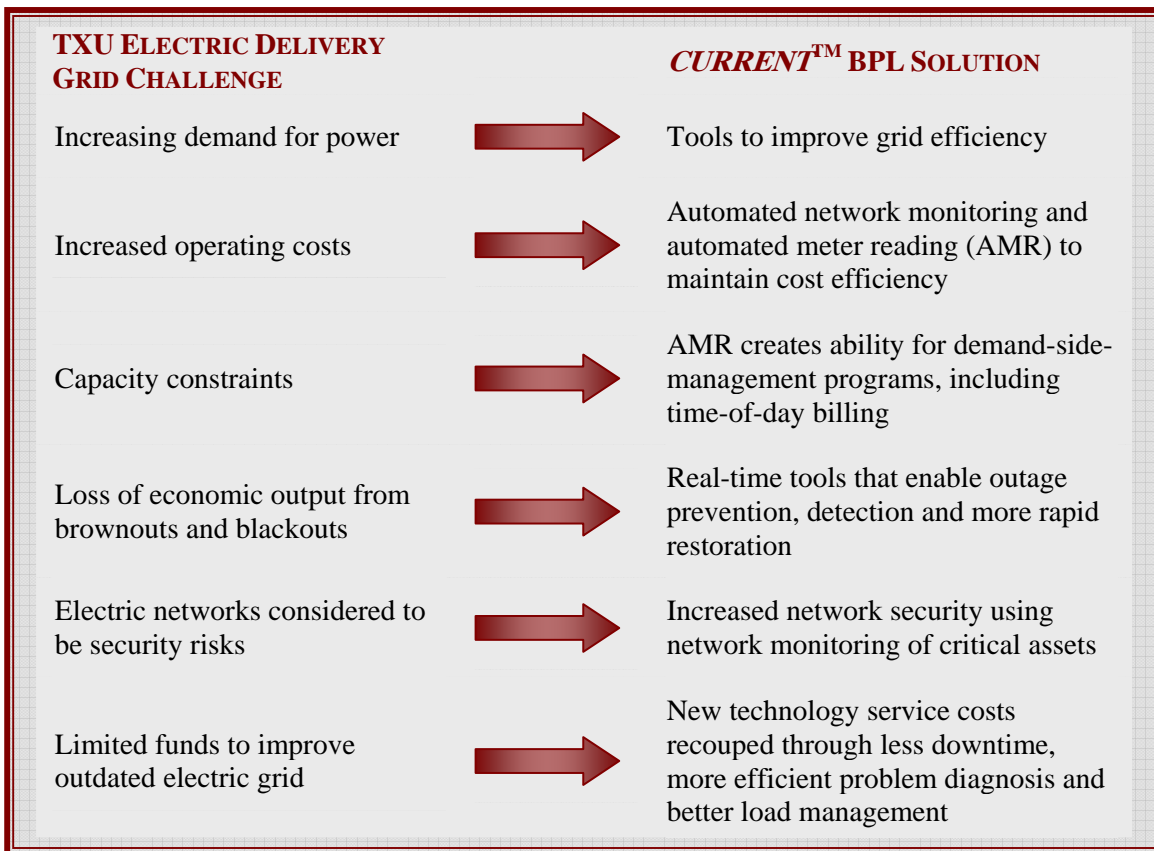
Former Chairman Pat Wood, Federal Energy Regulatory Commission

“This is a huge step forward for Texas consumers.”

State Senator Troy Fraser, State of Texas

NEXT-GENERATION ELECTRIC DISTRIBUTION NETWORK

- **Smart Grid:** Turns connected points in TXU Electric Delivery’s existing distribution network into an information source, instantly feeding performance data back to the utility to more efficiently enable automated and real-time network monitoring and meter reading.
- **More reliable and affordable electric services for customers:** TXU Electric Delivery will be able to respond more quickly and efficiently to outages of all magnitudes, manage its distribution network more proactively and better safeguard its dispersed critical assets.



VIALE CONSUMER BROADBAND OPTION

- **Triple Play of Services:** Voice, television and high-speed access.
- **“Plug-and-Play” Installation:** Easy as plugging a power cord into an outlet.
- **Wide Range:** Broadband access from any outlet on premise.
- **Symmetrical Connection:** Same speed up and down, increasingly important given today’s Internet movement toward interactive, two-way communications.
- **Competitive Pricing:** Lower monthly cost than other broadband services.
- **Widespread Access:** Urban, suburban and rural markets can benefit because of viable third wire that does not depend on cable or telecommunications facilities but uses existing, nearly ubiquitous infrastructure.
- **Future Applications:** Ability for customers to plug-in as new broadband applications are created.