

NEO POLICY STATEMENT

DRUG AND ALCOHOL ABUSE

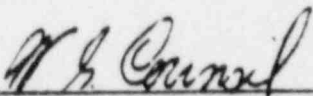
TU Electric's rules regarding intoxicants, drugs, and narcotics are based primarily on the Company's concerns for the safety of its employees. The on-the-job use or possession of these substances creates a danger, not only to the employee using or possessing them, but to all employees. In addition, the construction and operation of a nuclear facility creates an obligation to public safety and a duty on the part of TU Electric to uphold the public trust and confidence in the Company and its employees. For all of these reasons, the attached rules regarding intoxicants, drugs and narcotics will be strictly enforced.

Each employee is also reminded that it is everyone's responsibility to report unsafe working conditions or hazardous activities which jeopardize their own or their fellow employee's safety, or the safe construction, operation or testing of Comanche Peak Steam Electric Station. This responsibility includes reporting the on-the-job use or possession of intoxicants, drugs, or narcotics by any individual. All such information will remain strictly confidential and will be used to promote a safe environment for you, your fellow employees and the public.

Employees who request assistance in dealing with a personal drug or alcohol problem may participate in the Employee Assistance Program without jeopardizing their continued employment, provided they stop any and all abuse of drugs or alcohol.

The overall responsibility for assuring that the policy statement and attached rules are implemented and followed lies with the Executive Vice President, Nuclear Engineering and Operations. Specific responsibility for ensuring and enforcing compliance within each NEO function (Nuclear Operations, Engineering and Construction, etc.) lies with the vice president of each organization.

Responsibility for draft revisions and additions to this policy statement and for final approval of all revisions and additions rests with the Executive Vice President, Nuclear Engineering and Operations.

  
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W. G. Council  
Executive Vice President,  
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NUCLEAR ENGINEERING AND OPERATIONS  
RULES REGARDING USE AND/OR POSSESSION OF  
INTOXICANTS, DRUGS AND NARCOTICS

Except as indicated below, any employee who attempts to bring or brings intoxicants, drugs or narcotics or who has in his possession intoxicants, drugs or narcotics on Company property, or is under the influence of intoxicants, drugs or narcotics while on Company property, will be subject to immediate discharge.

Prescription drugs prescribed by licensed physicians for the employee which could affect an employee's job performance or non-prescription drugs which could affect an employee's job performance, are allowed only if they have been previously cleared by the employee's supervisor. Any employee taking such medication must inform his/her supervisor of the medication and dosage being taken. On request, the prescription shall be verified in writing by the issuing physician.

The Company expects employees to report for work in condition to perform their duties. Off-the-job involvement with intoxicants, drugs or narcotics which adversely affects the Company, such as affecting either the employee's ability to perform his/her job; the employee's co-workers' confidence in or the ability to work with the employee; or the public trust in the ability of the Company to carry out its responsibilities is against Company policy. Such conduct will be subject to discipline up to and including discharge, depending on the nature of the conduct and the facts involved. Facts to be considered in assessing discipline will include the employee's job assignment, employee's past record, the potential adverse effect of the conduct on the Company, and the obligation of the employees of a nuclear facility to uphold the public's trust and confidence.

In order to enforce these rules, employees may be required to take a blood test, urinalysis, breathalyzer, or submit to other recognized investigatory tests or procedures which would assist in evaluating the employee's physical condition or aid in the investigation of a violation of these rules. Any such test or procedure will be administered by qualified personnel under established methods and subject to confirmation by appropriate laboratory processes.

All employees, employees' vehicles, personal belongings, offices, lockers and Company property are subject to search.

The results of investigatory tests and searches will be a factor considered by the Company in determining compliance with the above rules and what action will be taken with an employee who violates those rules.

The refusal on the part of an employee, after being requested to do so, to submit immediately to a search of his/her person and/or property or to be tested, shall constitute a flagrant act of insubordination and will subject the employee to immediate discharge.

If illegal drugs are found on Company premises, Corporate Security will be notified. Corporate Security will in turn notify local law enforcement officials.

Company parking lots are Company property and the above rules apply to the parking lots, except that possession of alcoholic beverages in sealed containers is permitted in Company-authorized parking areas.