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February 20, 2018

Chairman DeAnn T. Walker
Commissioner Brandy Marty Marquez
Commissioner Arthur C. D'Andrea
Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, Texas 78711

Dear Commissioners:

I am writing in response to the letter filed by Senator Kelly Hancock on February 14, 2018 in PUC Project No. 47945, regarding the effects of the Tax Cuts and Jobs Act of 2017 on the rates of Texas investor-owned utility companies. Please accept this letter as TXU Energy's commitment to working with Commission Staff and your offices to ensure that the anticipated changes in the regulated rates of Transmission and Distribution Service Providers (TDSPs) will be appropriately reflected in customers' retail electric bills.

TXU Energy has been following this proceeding and believes that the Commission has taken a prudent approach to this issue by evaluating each utility's unique situation and working with the utilities to adjust existing base rates via credit, upcoming Distribution Cost Recovery Factors (DCRFs), and Wholesale Transmission Rates that will ultimately flow through the Transmission Cost Recovery Factors (TCRFs).

Given that a significant majority of our retail electric customers have chosen "unbundled" products that directly pass through TDSP charges (including any changes to those charges), the rate adjustments being overseen by the Commission will directly and efficiently flow through to most customers without any additional effort. For the minority of our customers that have chosen "bundled" products, TXU Energy looks forward to working with Commission Staff to evaluate efficient means to provide appropriate value to them.

Sincerely,

Scott Hudson
President
TXU Energy

cc: Senator Kelly Hancock

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