



OPINION Letters

Letters: The new TXU

02:50 PM CDT on Sunday, July 1, 2007

Private business works better

Re: "What are the chances consumers will benefit from TXU's sale? Dim," a news series published June 24, Monday and Tuesday.

The Dallas Morning News'

three-part series on the TXU buyout reveals a general distrust of capitalism and the ability of free markets to provide for both consumers and businesses.

Capitalism can be imperfect, but governments are much more susceptible to coercion and contempt for individuals than the private sector. History has proven that private businesses are better at providing quality products for low prices than bloated government bureaucracies.

Government interference through regulation would work to the detriment of consumers.

In the short run, TXU's prices may rise. But in the longer term, there will be greater competition, which will ensure that most (if not all) companies provide a quality product for a fair price.

This happened in Texas following deregulation and will be the case for the nation if we allow free markets to take root.

Raz Shafer, Stephenville

The rich just get richer ...

Re: "TXU's sale could bring higher prices – Consumers may take a hit as rate cuts expire and power supply grows tight," Tuesday news story.

"Two summers from now, you may pay a lot more for electricity." That's like saying; "Two years from now, you may be paying higher gas prices." The consumer is at the mercy of these money-hungry, power-grabbing entities, with a bunch of bought-and-paid-for politicians as our only buffer.

"The buyers believe they will win much more than customers; otherwise the deal makes no sense." You said it all right there. It's like saying the oil companies will reduce gas prices and forfeit some of their profits.

Let's be real about it. The rich get richer, and the poor get to pay more to make the rich get richer.

Calvin Coats, Dallas

... and rest of us get soaked

As your consultant, GF Energy LLC, noted earlier, Kohlberg Kravis Roberts & Co.'s track record proves it to be a shrewd buyer of public companies, turning them in the near term for a multiple of their investment.

For that pattern to continue, an increase in net revenue to TXU is required. That can only come, ultimately, from the ratepayer.

Under historical utility regulation, utility companies were natural monopolies and closely regulated by utility commissions. Never perfect, but generally fair and effective for both the utility and the consumer, such regulation worked well through economic highs and lows for decades.

Compare KKR's ability to achieve 300 percent in-and-out returns with typical regulated utility rates of return in the single digits.

Recognition that natural monopolies exist and reliance on good utility re-regulation is the answer, not some fantasy about good faith competition where the "price to beat" becomes the "price to barely beat."

Oran L. Haseltine, Dallas

Your report smacks of bias

Your series on the potential effects of a TXU buyout was a perfect example of a newspaper making the news instead of reporting it. Your so-called consultative journalism smacked of bias.

Indeed, the independent report was written by an energy lobbyist and sponsored by your paper, so it's no surprise that it supports your stated position. As business manager for the Lone Star District of the International Brotherhood of Boilermakers, representing the men and women who build and