



For Immediate Release
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Hunt Rebutts AARP's Alarmist and Misguided Claims

DALLAS, TX - Today, Hunt Consolidated issued the following statement in response to AARP's press release and special report recommending that the Public Utility Commission of Texas (PUCT) reject the sale of Oncor to Hunt and its consortium.

"We strongly believe Hunt's proposal to purchase and operate Oncor is the best choice for the people and consumers of Texas, for all the individuals and businesses that depend on reliable electricity and for the future economic growth of Texas and the communities that Oncor serves," said Jeanne Phillips, spokesperson for Hunt Consolidated. "We are disappointed by AARP's alarmist and misguided claims and conclusions, which are not supported by the facts. We are also surprised that AARP chose to use the media instead of the regulatory process, as all other stakeholders do, and did not file testimony with the PUCT. This undermines a process that is designed to provide transparency and an opportunity for all sides to be heard and all points of view to be examined by the Commission."

Contrary to the AARP's assertion that Hunt's financing vehicle is unusual, the fact is that Real Estate Investment Trusts (REITs) are more than 50 years old and are a tried and true financing tool. In the utility space, a REIT has been used by Hunt successfully in Texas since 2009 and has been a part of Hunt's numerous proceedings before the Public Utility Commission of Texas over the last six years, thus we believe it is proven to be a sound, safe and validated financial structure.

Hunt's proposal seeks fair and equal tax treatment under the law as it currently applies to all other utilities in Texas – nothing more and nothing less. Claims counter to this are false.

In fact, Hunt's proposal reduces risks for consumers, because it would significantly reduce billions of dollars of debt currently held by EFH by turning that debt into equity. The current ring fence is no longer needed if the Hunt proposed transaction is approved by the PUCT, and this incorrect allegation is untrue. Hunt is proposing other protections that keep Oncor financially secure.

As for rates, Hunt's proposal will protect consumers, because Hunt has committed to maintaining Oncor's current rates, which are the lowest in the state. AARP's efforts to insinuate otherwise ignore the facts of the matter. Sharyland's rates, as described in the AARP report, involve dramatically different circumstances with largely rural customers and have no bearing on what would happen with Oncor rates if the Hunt plan is approved. Sharyland's rates are not affected by our use of the REIT structure. In fact, a recent report by the PUCT staff discussed the causes of Sharyland's rates in detail, and this report notably did not attribute Sharyland's rates to its use of a REIT structure.

"Hunt strongly believes that the regulatory process in Texas is one that is fair, open and transparent. It is unfortunate that AARP chose not to participate in that process," said Phillips. "We welcome all formal interventions in the case and hope to hear from all stakeholders during the hearing process. We trust the PUCT to do its usual thorough and comprehensive review and provide the guidance that best serves the public interest, which the Hunt proposal does."

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About Hunt Consolidated, Inc.

Hunt Consolidated Inc. is a diversified holding company directed by Ray L. Hunt, Hunter L. Hunt and Christopher W. Kleinert with its major subsidiaries engaged in oil and gas exploration and production, refining, LNG, power, real estate, investments, ranching and infrastructure.