

SECURITIES AND EXCHANGE COMMISSION

FORM S-3DPOS

Post-effective amendment to a S-3D registration statement

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FILER

TEXAS UTILITIES CO

CIK: **97561** | IRS No.: **750705930** | State of Incorporation: **TX** | Fiscal Year End: **1231**
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SIC: **4911** Electric services

Business Address
2001 BRYAN TWR STE 1350
DALLAS TX 75201
2148124600

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE
AMENDMENT NO. 2
TO
FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TEXAS UTILITIES COMPANY
(Exact name of registrant as specified in its charter)

TEXAS 75-0705930
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

2001 BRYAN TOWER
DALLAS, TEXAS 75201
(214) 812-4600
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

ROBERT A. WOOLDRIDGE, ESQ. H. JARRELL GIBBS ROBERT J. REGER, JR., ESQ.
WORSHAM, FORSYTHE, SAMPOLS VICE PRESIDENT REID & PRIEST
& WOOLDRIDGE, L.L.P. 2001 BRYAN TOWER 40 WEST 57TH STREET
2001 BRYAN TOWER DALLAS, TEXAS 75201 NEW YORK, NEW YORK 10019
DALLAS, TEXAS 75201 (214) 812-4600 (212) 603-2000
(214) 979-3000

(Names, addresses, including zip codes, and telephone numbers,
including area codes, of agents for service)

IT IS RESPECTFULLY REQUESTED THAT THE COMMISSION SEND
COPIES OF ALL NOTICES, ORDERS AND COMMUNICATIONS TO:

STEPHEN K. WAITE, ESQ.
WINTHROP, STIMSON, PUTNAM & ROBERTS
ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 858-1000

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P R O S P E C T U S

7,000,000 SHARES

[LOGO] Texas Utilities Company

COMMON STOCK

WITHOUT PAR VALUE

The Common Stock is listed on the New York, Midwest and Pacific stock exchanges.

AUTOMATIC DIVIDEND REINVESTMENT AND COMMON STOCK PURCHASE PLAN

The Automatic Dividend Reinvestment and Common Stock Purchase Plan of Texas Utilities Company, as amended (Plan), provides eligible holders of shares of the Common Stock of Texas Utilities Company (Company) with a convenient and economical method of purchasing additional shares of Common Stock without payment of any brokerage commission or service charge. This Prospectus reflects significant amendments to the Plan, which are effective as of the date of this Prospectus. Reference is made to "The Plan" for definitions of capitalized terms used herein without definition.

As of the date of this Prospectus, any holder of record of ten or more shares of Common Stock is eligible to become a participant in the Plan. No action is required of current participants, including current participants holding less than ten shares of Common Stock, to continue their participation in the Plan.

To become a participant in the Plan, an eligible holder of record of shares of Common Stock of the Company must sign and mail an Authorization Form to Texas Utilities Shareholder Services, Dividend Reinvestment Plan, P.O. Box 225249, Dallas, Texas 75222-5249. An Authorization Form may be obtained from Texas Utilities Shareholder Services (Toll-free phone number 1-800-828-0812).

Shares of Common Stock purchased under the Plan will be either issued and outstanding shares purchased on the open market by an Independent Broker (Independent Broker) or original issue shares acquired directly from the Company. For details about the price of such shares purchased on the open market or acquired directly from the Company, see "The Plan - Share Purchases and Price."

This Prospectus relates to the offer and sale under the Plan of 7,000,000 shares of Common Stock of the Company as set forth above, 1,899,471 of which remain available for offer and sale, as of the date of this Prospectus. Participants are advised to retain this Prospectus for future reference.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

February 2, 1994

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been filed by the Company with the Securities and Exchange Commission (Commission) pursuant to the Securities Exchange Act of 1934 (File No. 1-3591) are incorporated herein by reference:

- (a) Annual Report on Form 10-K for the year ended December 31, 1992 (1992 10-K).
- (b) Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993, June 30, 1993 and September 30, 1993.

(c) Current Reports on Form 8-K dated April 7, 1993, June 9, 1993, July 13, 1993, October 26, 1993, November 24, 1993, January 14, 1994 and January 31, 1994.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (1934 Act), after the date of this Prospectus and prior to the termination of the offering hereunder shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents; provided, however, that the documents enumerated above or subsequently filed by the Company pursuant to Section 13 of the 1934 Act prior to the filing with the Commission of the Company's most recent Annual Report on Form 10-K shall not be incorporated by reference in this Prospectus or be a part hereof from and after the filing of such Annual Report on Form 10-K. The documents which are incorporated by reference in this Prospectus are sometimes hereinafter referred to as the "Incorporated Documents."

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY HEREBY UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM A COPY OF THIS PROSPECTUS HAS BEEN DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY AND ALL OF THE DOCUMENTS REFERRED TO ABOVE WHICH HAVE BEEN OR MAY BE INCORPORATED IN THIS PROSPECTUS BY REFERENCE, OTHER THAN EXHIBITS TO SUCH DOCUMENTS (UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE INTO SUCH DOCUMENTS). REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO TEXAS UTILITIES SHAREHOLDER SERVICES, DIVIDEND REINVESTMENT PLAN, P.O. BOX 225249, DALLAS, TEXAS 75222-5249, TOLL-FREE TELEPHONE NUMBER (800) 828-0812.

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the 1934 Act and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Chicago Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois; and New York Regional Office, 7 World Trade Center, 13th Floor, New York, New York. Copies of such material can also be obtained from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. The Common Stock of the Company is listed on the New York, Midwest and Pacific stock exchanges, where reports, proxy statements and other information concerning the Company may be inspected.

THE COMPANY AND ITS SUBSIDIARIES

The Company was incorporated under the laws of the State of Texas in 1945 and has perpetual existence under the provisions of the Texas Business Corporation Act. The Company is a holding company which owns all of the outstanding common stock of Texas Utilities Electric Company (TU Electric), the principal subsidiary of the Company, Southwestern Electric Service Company (SESCO) and five other wholly-owned subsidiaries, which perform specialized

functions within the Texas Utilities Company System (System Companies).

TU Electric is engaged in the generation, purchase, transmission, distribution and sale of electric energy in the north central, eastern and western parts of the State of Texas, with a population estimated at 5,590,000 - about one-third of the population of Texas.

SESCO is engaged in the purchase, transmission, distribution and sale of electric energy in ten counties in the eastern and central parts of Texas with a population estimated at 125,000.

Texas Utilities Fuel Company owns a natural gas pipeline system, acquires, stores, and delivers fuel gas and provides other fuel services at cost for the generation of electric energy by TU Electric.

Texas Utilities Mining Company owns, leases and operates fuel production facilities for the surface mining and recovery of lignite at cost for use at TU Electric's generating stations.

Texas Utilities Services Inc. (TU Services) provides financial, accounting, computer, telecommunications and other administrative services at cost to the System Companies. TU Services also acts as transfer agent, registrar and dividend paying agent with respect to the common stock of the Company and the preferred stock of TU Electric and as agent for participants under the Company's Automatic Dividend Reinvestment and Common Stock Purchase Plan.

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Basic Resources Inc. was organized for the purpose of developing natural resources, primarily energy sources, and related technology and services.

Chaco Energy Company was organized to own and operate facilities for the acquisition, production, sale and delivery of coal and other fuels and currently leases extensive coal reserves.

The principal executive offices of the Company are located at 2001 Bryan Tower, Dallas, Texas 75201; the telephone number is (214) 812-4600.

USE OF PROCEEDS

If shares are purchased for the Plan in the open market, the Company will not receive any proceeds therefrom. The Company proposes to use the proceeds from the sales of newly issued Common Stock, together with funds to be derived from operations and other sources, to make additional investments in the common stocks of its subsidiary companies in amounts and at times presently not determined, to provide short-term funds as may be required by the Company's subsidiaries in connection with their construction programs and to repay short-term borrowings (bank loans and/or commercial paper) incurred for similar purposes and for other corporate purposes. The Company is unable to determine either the number of shares of Common Stock that may be issued or purchased under the Plan or the proceeds that may be received from the sale of such shares.

RATE PROCEEDINGS

In January 1993, TU Electric made applications to the Public Utility Commission of Texas (PUC) in Docket 11735 and to its municipal regulatory authorities for upward adjustments in rates for electric service throughout its service area, which would have increased annual operating revenues by approximately \$760 million, or 15.3%, based upon the test year ended June 30, 1992. Such request reflected, among other things, costs associated with Comanche Peak Unit 1 after the end of the Docket 9300 (see below) test year and the commercial operation of Unit 2. In August 1993, pursuant to rules of the PUC, TU Electric placed its requested rate increase into effect, under bond and subject to refund with interest, applicable to energy sales on and after such date.

In October 1993, the PUC issued an order (Order) approving the terms of an agreement (Settlement Agreement) among TU Electric, the Office of Public Utility Counsel, the General Counsel's office of the PUC and the Executive Committee of the Coalition of Cities served by TU Electric which, among other things, settled all remaining issues relating to the design, construction and cost of Comanche Peak through commencement of commercial operation of Unit 2. The Settlement Agreement provided for the disallowance in Docket 11735 of \$250 million of costs relating to the completion of Comanche Peak.

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Pursuant to the Order, TU Electric refunded \$5 million in fuel charges previously incurred in order to resolve the fuel phase of Docket 11735 under which TU Electric was seeking reconciliation of approximately \$4.6 billion of fuel costs incurred during the three year period ended June 30, 1992, under the fuel rule in effect prior to May 1993. Further, in order to resolve the primary issue in another proceeding which resulted from a complaint filed against TU Electric in October 1992 by the General Counsel's office of the PUC, as a result of the Order, TU Electric agreed to write off \$83 million of allowance for funds used during construction (AFUDC), which consisted of the amount subject to dispute in such proceeding and similar charges subsequently accrued. Also, under the Settlement Agreement and confirmed in the Docket 11735 final order (see below), TU Electric will recover, ratably over an eight year period, \$197 million of operation and maintenance expenditures incurred by TU Electric in connection with its recent cost reduction program. However, an additional \$25 million of such expenditures will not be subject to recovery and was written off by TU Electric.

On January 28, 1994, the PUC issued a final order in Docket 11735 which provided for a total annual revenue increase of approximately \$435 million or 8.7%. TU Electric strongly disagrees with the final order and intends to file a motion for rehearing with the PUC in February 1994 and will appeal the outcome, if necessary. As a result of this final order, TU Electric will refund approximately \$141.2 million, including interest. Such amount represents the difference at December 31, 1993 between the bonded rates and the rates approved in the final order. The amount to be refunded will be determined once approved rates have been implemented, which is expected to be in March 1994. This refund will be mitigated by a fuel cost surcharge of approximately \$144.5 million, including interest, in under-collected fuel costs through June 30, 1993. Such fuel cost surcharge has been approved by the PUC based on TU Electric's August 1993 petition for recovery of such costs.

In November 1993, an intermediate appellate court in Texas, considering an appeal of another utility's rate case, ruled that the "actual taxes paid"

method was required by prior court rulings for all disallowed costs, including capital costs. Generally, such an "actual taxes paid" approach to ratemaking treatment for income taxes involves utilizing tax benefits generated by costs which are not allowed in rates to reduce rates charged to customers.

TU Electric believes that such rulings are erroneous and not consistent with the Texas Public Utility Regulatory Act. According to a Private Letter Ruling issued to TU Electric by the Internal Revenue Service (IRS) with respect to investment tax credits, such ratemaking treatment, to the extent related to property classified for tax purposes as public utility property, would result in a violation of the normalization rules contained in the Internal Revenue Code of 1986, as amended (Code). Violation of the normalization rules would result in a significant adverse effect on TU Electric's

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results of operations and liquidity. The tax benefits associated with the Comanche Peak costs disallowed in Docket 9300 (see below) could be affected under the "actual taxes paid" method. In addition, in its final order in Docket 11735, the PUC reduced rates for the tax benefits generated by certain costs which are not allowed in rates. However, the PUC recognized the potential for a normalization violation if investment tax credits and tax depreciation generated by disallowed plant costs were used to reduce rates. Therefore, the PUC ordered TU Electric to obtain a Private Letter Ruling from the IRS with respect to tax depreciation on disallowed plant. Thus, TU Electric's rates would not reflect the tax depreciation benefit of disallowed plant unless the IRS rules such benefits can be utilized to reduce rates without violating the normalization rules contained in the Code. Such a finding by the IRS would require TU Electric to refund the tax depreciation benefits to its customers. TU Electric does not believe it is likely that such refund will occur if the IRS maintains a position similar to that stated in its previous Private Letter Ruling to the Company.

DOCKET 9300

In September 1991, the PUC issued a final order in the Company's prior rate case (Docket 9300), which provided for a total revenue increase of approximately \$442 million and included \$695 million of construction work in progress (CWIP) in rate base to support the revenue increase. It also included a prudence disallowance of \$472 million with respect to certain Comanche Peak costs relating to 87.8% of TU Electric's ownership interest in both units of Comanche Peak. With respect to TU Electric's reacquisition of the remaining 12.2% minority owner interests in Comanche Peak, the order included an additional disallowance of \$909 million.

In November 1991, TU Electric filed a petition in the 250th Judicial District Court of Travis County, Texas, requesting a reversal and remand of the Docket 9300 final order. Other parties to the PUC proceeding also filed appeals with respect to various portions of the order. In September 1992, after a hearing, the Court entered a judgment in the appeals which affirmed the prudence disallowance of \$472 million but reversed and remanded to the PUC for reconsideration those portions of the PUC's final order providing for additional disallowances aggregating \$884 million with respect to TU Electric's reacquisition of minority owner interests in Comanche Peak. Other parties to this suit have appealed this judgment. TU Electric disagrees with certain portions of this judgment and also has appealed. It is unable to predict the outcome of such appeals and any reconsiderations by the PUC.

RECENT AMENDMENTS TO THE PLAN

The Company has amended the Plan, effective as of the date of this Prospectus, as follows:

- (a) The voluntary cash investment feature now permits monthly cash investments of up to \$4,000 per calendar month.
- (b) Shares acquired for the Plan may be purchased on the open market by an Independent Broker. When shares are acquired on the open market, the price of shares allocated to participants' accounts each month will be the weighted average of the prices (excluding

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brokerage commissions and fees) paid for such shares by the Independent Broker.

- (c) The price of any newly issued shares acquired directly from the Company will be 100% of the ten-day average of the high and low sales prices for the Common Stock as reported on the consolidated tape for New York Stock Exchange listed securities.
- (d) Eligibility for new participation is limited to holders of record of ten or more shares of the Common Stock. The change in eligibility for participants in the Plan does not affect current participants in the Plan. Current participants, even if they own fewer than ten shares, will continue to participate in the Plan unless they notify the Plan they intend to terminate participation.

THE PLAN

The Automatic Dividend Reinvestment and Common Stock Purchase Plan of Texas Utilities Company, as amended (Plan), has been instituted for the benefit and convenience of the holders of shares of the common stock of the Company (Common Stock). Participation in the Plan is entirely optional.

PURPOSE AND ADVANTAGES

1. WHAT IS THE PURPOSE OF THE PLAN?

The purpose of the Plan is to provide eligible holders of record of shares of the Common Stock with a convenient and economical method of reinvesting cash dividends on the shares of the Common Stock and making voluntary cash investments to purchase additional shares of the Common Stock. The shares may be purchased on the open market by an independent broker (Independent Broker) or acquired from the Company as original issue shares of the Company's authorized Common Stock.

2. WHAT ARE THE ADVANTAGES OF THE PLAN?

Participants in the Plan do not pay any commissions or service charges in connection with purchases under the Plan. Full investment of funds is possible because the Plan permits fractions of shares, as well as whole shares, to be credited to participants' accounts. In addition, participants can avoid responsibility for the safekeeping of certificates for shares credited to their accounts under the Plan and are furnished quarterly statements of account to provide simplified record keeping.

ELIGIBILITY

3. WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

As of the date of this Prospectus, any holder of record of ten or more shares of the Common Stock may become a participant in the Plan. In order to participate in the Plan, beneficial owners of shares of the Common Stock registered in names other than their own must become holders of record of shares by having shares transferred into their names.

Current participants, including those holding fewer than ten shares of the Common Stock, will remain enrolled in the Plan unless they elect to terminate such participation.

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PARTICIPATION

4. WHAT STEPS MUST BE TAKEN TO PARTICIPATE IN THE PLAN?

An eligible holder of record of shares of the Common Stock may join the Plan at any time by signing a Plan authorization form (Authorization Form) and returning it to Texas Utilities Shareholder Services (Shareholder Services). An Authorization Form may be obtained from Shareholder Services (see Administration).

In completing the Authorization Form, the new participant must make an election to either:

- (a) reinvest the cash dividends on all shares of the Common Stock registered in his or her name and, at the discretion of the participant, make voluntary cash investments (Dividend Reinvestment and Voluntary Cash Investment); or
- (b) continue to receive cash dividends on shares of the Common Stock registered in his or her name, but at the discretion of the participant, make voluntary cash investments (Voluntary Cash Investment Only).

Voluntary cash investments may not be less than \$25 nor more than \$4,000 per calendar month.

5. HOW DOES THE "DIVIDEND REINVESTMENT AND VOLUNTARY CASH INVESTMENT" FEATURE OF THE PLAN WORK?

An Authorization Form marked "Dividend Reinvestment and Voluntary Cash Investment" directs Shareholder Services to apply to the purchase of additional shares of the Common Stock (i) all of the participant's cash dividends on the shares of the Common Stock registered in such participant's name or credited to such participant's account under the Plan and (ii) any voluntary cash investments received from the participant.

Receipt of an Authorization Form by Shareholder Services on or before the record date for a quarterly cash dividend entitles the holder of shares electing dividend reinvestment to have dividends on all the shares registered in such holder's name used to acquire shares of the Common Stock for such holder's

account. If the Authorization Form is received by Shareholder Services after such record date but before the quarterly dividend payment date (Dividend Payment Date), which is typically the first business day of January, April, July and October, such dividends will be paid in cash to such holder and reinvestment of cash dividends will not start until the next Dividend Payment Date. The record date for cash dividends on the Common Stock is approximately three to four weeks prior to the Dividend Payment Date. For example: In 1993, the record date for the July 1 dividend payment was June 8. Therefore, an Authorization Form would have to have been received by Shareholder Services on or before June 8, in order for the eligible holder of shares to participate in dividend reinvestment on July 1. If the Authorization Form was received after June 8, the July 1 dividend would have been paid in cash and the

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participant's reinvestment of cash dividends would have commenced with the next Dividend Payment Date of October 1.

Any voluntary cash investments received from participants in the "Dividend Reinvestment and Voluntary Cash Investment" feature will be treated in the same manner as cash investments received under the "Voluntary Cash Investment Only" feature described below.

6. HOW DOES THE "VOLUNTARY CASH INVESTMENT ONLY" FEATURE OF THE PLAN WORK?

If the "Voluntary Cash Investment ONLY" box on the Authorization Form is checked, the Company will continue to pay cash dividends to the participant on the shares of the Common Stock registered in such participant's name. Shareholder Services will apply any voluntary cash investments received from the participant to the purchase of additional shares of the Common Stock under the Plan on the next monthly investment date, which is the first business day of the month (Investment Date). Dividends on shares credited to the participant's account will be used to purchase additional shares of the Common Stock under the plan on each Dividend Payment Date.

Voluntary cash investments should be made by check or money order payable to Texas Utilities Shareholder Services. NO INTEREST WILL BE PAID BY THE COMPANY OR SHAREHOLDER SERVICES ON AMOUNTS FORWARDED BY A HOLDER OF SHARES TO SHAREHOLDER SERVICES FOR VOLUNTARY CASH INVESTMENT AND HELD UNTIL INVESTMENT. Voluntary cash investments should be mailed in order to reach Shareholder Services just before an Investment Date. A participant may, without terminating participation in the Plan, recover any uninvested amounts held upon written request received by Shareholder Services not later than six business days prior to the Investment Date. The same amount of money need not be invested each calendar month and there is no obligation to make a voluntary cash investment each calendar month. Cash dividends on shares acquired with voluntary cash investments and held in the Plan are reinvested in additional shares of the Common Stock.

7. HOW IS A VOLUNTARY CASH INVESTMENT MADE?

A voluntary cash investment may be made by a participant when joining the Plan by enclosing a check with the Authorization Form. Thereafter, a voluntary cash investment should be accompanied by the form provided with the participant's statement of account or should include the participant's account number or social security number.

8. HOW MAY A PARTICIPANT CHANGE HIS OR HER ELECTION OPTION UNDER THE PLAN?

A participant may change election options by signing a new Authorization Form and returning it to Shareholder Services, or by written request. Any instruction from a participant directing such a change must be received by Shareholder Services on or before the record date in order to be effective on the next Dividend Payment Date.

SHARE PURCHASES AND PRICE

9. WHAT IS THE SOURCE OF SHARES ACQUIRED UNDER THE PLAN?

Shares of Common Stock acquired under the Plan are either purchased in the open market by an Independent Broker on behalf of the Plan or acquired from the Company as original issue shares as determined by the Company. The shares are registered with the Securities and Exchange Commission prior to offer and sale.

10. HOW MANY SHARES ARE PURCHASED UNDER THE PLAN?

The number of shares to be purchased for each participant depends upon the amount of cash dividends reinvested and/or voluntary cash investments and the purchase price of the Common Stock. (See Foreign Holders of Shares for certain restrictions on reinvestment of cash dividends applicable to residents of a foreign country.) Each participant's account is credited with that number of shares, including fractional shares computed to three decimal places, equal to the total cash amount to be invested divided by the purchase price per share.

11. WHAT WILL BE THE PRICE OF SHARES OF COMMON STOCK PURCHASED UNDER THE PLAN?

(A) OPEN MARKET PURCHASES. Shares of the Common Stock purchased in the open market will be acquired for the Plan by an Independent Broker. The price of such shares will be the weighted average price (excluding any related brokerage fees, commissions or other service charges) paid for all shares acquired by the Independent Broker during the investment period in which the open market purchases are made. Each investment period shall begin five business days preceding an Investment Date and/or Dividend Payment Date and shall end five business days following such date.

With respect to any open market purchases made under the Plan, subject to any limitations imposed by federal or state securities laws, the Independent Broker will have full discretion as to all matters relating to purchases, including determination of the number of shares, if any, to be purchased on any day in an investment period, the time of day, the price paid for such shares, the markets on which such shares are to be purchased (including on any securities exchange or in the over-the-counter market) and the persons (including brokers or dealers) from or through whom such purchases are made.

(B) ORIGINAL ISSUE SHARES ACQUIRED FROM THE COMPANY. The price of shares to be acquired from the Company is the average of the daily high and low sales prices for the Common Stock as reported on the consolidated tape for New York Stock Exchange listed securities administered by the Consolidated Tape Association for the period of ten consecutive New York Stock Exchange trading days ending with the Investment Date and/or Dividend Payment Date. If the New York Stock Exchange is closed on an Investment Date and/or Dividend Payment Date, the reported prices for the ten consecutive trading days immediately preceding the Investment Date and/or Dividend Payment Date are used for determining the purchase price of the shares.

EXPENSES

12. ARE THERE ANY FEES OR CHARGES TO A PARTICIPANT IN CONNECTION WITH PURCHASES OR SALES UNDER THE PLAN?

Eligible holders of shares of the Common Stock can participate in the Plan without paying brokerage commissions for share purchases or the administrative costs of the Plan. However, a participant does pay any applicable brokerage commissions and transfer taxes in connection with sales of such participant's Plan shares (see Termination of Participation).

ADMINISTRATION

13. WHO ADMINISTERS THE PLAN?

Shareholder Services administers the Plan, keeps records, sends quarterly statements of account to participants and performs other duties relating to the Plan.

All notices, inquiries and requests concerning the Plan, EXCEPT for voluntary cash investments, should be mailed to:

TEXAS UTILITIES SHAREHOLDER SERVICES
P. O. BOX 225249
DALLAS, TX 75222-5249

Voluntary cash investments should be mailed to:

TEXAS UTILITIES SHAREHOLDER SERVICES
P. O. BOX 650459
DALLAS, TX 75265-0459

Please include your shareholder account number, social security number and daytime telephone number on all correspondence, checks or money orders. Persons who wish to communicate by telephone with Shareholder Services concerning the Plan may do so by calling either of the following numbers:

TOLL-FREE (800) 828-0812
LOCAL (214) 742-4000

THE FOLLOWING INFORMATION IS AVAILABLE THROUGH THE AUTOMATED TELEPHONE SYSTEM.

General transfer instructions as well as information regarding lost certificates

Information about the Plan, which includes:

- * How the Plan works
- * Voluntary cash investment acceptance periods
- * Information regarding withdrawals from the Plan as well as requests for duplicate Plan statements

Information about an individual account, which includes:

- * Account balance information including the number of shares of the Common Stock held in the account and the aggregate of voluntary cash investments not yet invested.
- * Year-to-date reportable income amounts
- * Requests for duplicate 1099DIV's

Dividend payment and record date information

NEITHER TEXAS UTILITIES COMPANY NOR TEXAS UTILITIES SHAREHOLDER SERVICES CAN ASSURE A PARTICIPANT OF A PROFIT OR PROTECT A PARTICIPANT AGAINST A LOSS ON THE SHARES PURCHASED UNDER THE PLAN.

REPORTS TO PARTICIPANTS

14. WHAT KIND OF REPORTS WILL BE SENT TO THE PARTICIPANTS IN THE PLAN?

Each participant in the Plan will receive a quarterly statement of account. Quarterly statements are the participant's continuing record of the cost of such participant's purchases and should be retained for tax purposes. In addition, participants receive a prospectus relating to the Plan as well as copies of all reports sent to the holders of shares of the Common Stock. (Also, see Federal Income Tax for information pertaining to tax treatment for reinvested dividends.)

CERTIFICATES FOR SHARES

15. WILL CERTIFICATES BE ISSUED TO PARTICIPANTS FOR SHARES OF COMMON STOCK UNDER THE PLAN?

Certificates for shares of the Common Stock purchased on behalf of participants in the Plan and credited to their accounts under the Plan are issued in the name of Shareholder Services, or its nominee, and are held by Shareholder Services for the benefit of the participants. The number of shares credited to a participant's account under the Plan is shown on the participant's quarterly statement of account.

Certificates for any number of whole shares of the Common Stock credited to a participant's account under the Plan are issued upon the written request of such participant, and the shares so issued are thereupon withdrawn from the participant's account. The request should be mailed to Shareholder Services at the address set forth herein under Administration. Any remaining whole shares, and any fraction of a share, will continue to be held in the participant's account (see Termination of Participation). Certificates for fractions of shares will not be issued under any circumstances. Future dividends on the shares issued to and retained under the Plan by participants will continue to be reinvested.

Shares of the Common Stock credited to the account of a participant under the Plan may not be pledged. A participant who wishes to pledge such shares must request that certificates for the shares be issued in such participant's name.

Accounts under the Plan are maintained in the names in which certificates of the participants were registered at the time they entered the Plan. Consequently, certificates for whole shares are similarly registered when issued to participants.

TERMINATION OF PARTICIPATION

16. WHEN AND HOW MAY A PARTICIPANT TERMINATE PARTICIPATION IN THE PLAN?

A participant may at any time terminate his or her participation in the Plan by notifying Shareholder Services in writing at the address set forth herein under Administration.

When a participant terminates participation in the Plan, or the Company terminates the Plan, certificates for whole shares of the Common Stock credited to the participant's account under the Plan are issued and a cash payment is made for any fraction of a share. If the request to terminate is received by Shareholder Services prior to the record date for a quarterly Common Stock cash dividend, such dividend and all subsequent dividends are paid to the record holder of shares in cash.

If any notice of termination is received by Shareholder Services on or after the record date and before the Dividend Payment Date for quarterly Common Stock cash dividends, Shareholder Services, in its sole discretion, may either pay such dividends in cash or reinvest them on behalf of the terminating participant. Generally, Shareholder Services is able to pay such dividends in cash if such notice of termination is received by Shareholder Services five or more business days prior to the Dividend Payment Date.

Any voluntary cash investments which had been sent to Shareholder Services prior to the request to terminate may also be invested under the Plan unless the request for termination is received at least six business days prior to the investment date.

All subsequent dividends, if any, will be paid to the former participant in cash unless such participant re-enrolls in the Plan. A holder of record of ten or more shares of Common Stock may re-enroll in the Plan at any time (see Participation).

DISPOSITION OF SHARES

17. HOW CAN A PARTICIPANT SELL SHARES OF COMMON STOCK UNDER THE PLAN?

Whether or not a participant terminates participation in the Plan, such participant may request Shareholder Services to sell the shares of the Common Stock held for the participant's account under the Plan. Shareholder Services will sell the shares of the Common Stock as soon as practical after receipt of the participant's request and will remit the proceeds thereof after deducting brokerage commissions and any transfer taxes.

If a participant sells or transfers all shares of the Common Stock registered in such participant's name (shares not held in such participant's account under the Plan), Shareholder Services will continue to reinvest the cash dividends on the shares credited to the participant's account under the Plan until notice in writing is received by Shareholder Services, at the address set forth herein under Administration, that such participant wishes to terminate participation in the Plan.

OTHER STOCK TRANSACTIONS

18. IF THE COMPANY HAS A STOCK DIVIDEND OR STOCK SPLIT, HOW IS THE COMMON STOCK HELD UNDER THE PLAN AFFECTED?

Any stock dividends or stock splits distributed on shares of the Common Stock held in the participant's account under the Plan will be added to such participant's account. Stock dividends or stock splits distributed on shares of the Common Stock registered in the name of the participant will be mailed

directly to the participant in the same manner as to holders of shares who are not participating in the Plan.

19. IF THE COMPANY SELLS ADDITIONAL SHARES OF COMMON STOCK THROUGH A RIGHTS OFFERING, HOW WILL THE PARTICIPANT'S ENTITLEMENT BE COMPUTED?

In a rights offering, warrants representing rights on all shares of the Common Stock held of record by each participant, and also those whole shares credited to the participant's account under the Plan, will be mailed directly to the participant in the same manner as to holders of shares who are not participating in the Plan.

VOTING OF SHARES

20. HOW WILL A PARTICIPANT'S SHARES OF COMMON STOCK BE VOTED AT MEETINGS OF SHAREHOLDERS OF THE COMPANY?

Each participant in the Plan receives a proxy form indicating the total number of whole shares of the Common Stock held by the participant, including shares of record registered in the participant's name and whole shares credited to the participant's account under the Plan, and the participant is entitled to vote all such shares at any meeting of the shareholders of the Company.

RESPONSIBILITY OF COMPANY, THE INDEPENDENT BROKER AND SHAREHOLDER SERVICES

21. WHAT ARE THE LIMITATIONS OF LIABILITY OF THE COMPANY, THE INDEPENDENT BROKER AND SHAREHOLDER SERVICES FOR THEIR ACTS OR OMISSIONS UNDER THE PLAN?

In administering the Plan, none of the Company, the Independent Broker or Shareholder Services will be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims of liability arising out of failure to terminate a participant's account upon the participant's death, prior to receipt of notice in writing of such death. Participants should recognize that none of the Company, the Independent Broker or Shareholder Services can assure a participant of a profit, or protect a participant against a loss, on the shares of the Common Stock of the Company purchased under the Plan. Participation in the Plan is at the sole discretion, risk and responsibility of each participant.

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FOREIGN HOLDERS OF SHARES

22. WHAT PROVISIONS ARE MADE FOR FOREIGN SHAREHOLDERS?

In the case of a foreign holder of shares who is participating in the Plan and whose dividends are subject to United States income tax withholding, Shareholder Services applies to the purchase of the shares of the Common Stock an amount equal to the net cash dividend after the deduction of taxes withheld. Voluntary cash investments received from foreign holders of shares of the Common Stock must be in United States dollars.

MODIFICATION OR TERMINATION

23. TO WHAT EXTENT MAY THE PLAN BE MODIFIED, SUSPENDED OR TERMINATED BY THE COMPANY?

The Company, by a majority vote of its Board of Directors at a duly held meeting, reserves the right to suspend, modify, amend or terminate the Plan at any time. Notice of any such suspension, modification, amendment or termination

will be mailed to all participants.

The Company may elect not to offer or sell its Common Stock under the Plan to participants residing in any jurisdiction or foreign country where, in the judgment of the Company, the burden or expense of compliance with applicable blue sky or securities laws make such offer or sale there impracticable or inadvisable.

FEDERAL INCOME TAX

The Federal income tax consequences to a participant are currently as follows:

With respect to reinvested cash dividends used to purchase shares in the open market, a participant will be treated for Federal income tax purposes as having received on the Dividend Payment Date a dividend in an amount equal to the cash reinvested plus brokerage fees, commissions or other service charges paid by the Company to obtain the shares. The tax basis of the shares so purchased will be equal to the amount of the dividend distribution, including those charges paid by the Company.

With respect to reinvested cash dividends used to purchase authorized but unissued shares of Common Stock directly from the Company, a participant will be treated for Federal income tax purposes as having received on the Dividend Payment Date a dividend in an amount equal to the fair market value on such date of the full number of shares and any fractional share purchased with reinvested dividends. The tax basis of the shares so purchased will be equal to the fair market value of such shares on the Dividend Payment Date.

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A participant who purchases shares with optional cash payments will recognize no taxable income upon such purchases except to the extent of brokerage fees, commissions or other service charges paid by the Company to obtain the shares. The tax basis of shares purchased in this manner will be the amount of the voluntary cash investment plus such charges.

A quarterly statement of account will be furnished to each participant which shows the price per share to be used in determining the tax basis of the shares purchased with reinvested dividends and/or voluntary cash investment. Such statement will also show the number of shares of stock credited during the year to the participant's account through reinvestment of dividends, the date each distribution was credited, and the fair market value of the stock on the date of such distribution. The Form 1099-DIV mailed to each participant at year-end indicates the sum of the fair market values, on the respective Dividend Payment Dates, of the shares of Common Stock credited to the participant's account during the year. Such sum may differ from the total of the reinvested dividends. (See The Plan -- Share Purchases and Price).

A participant does not realize any taxable income when such participant receives certificates for whole shares of the Common Stock credited to such participant's account under the Plan, either upon request for certificates for certain of these shares, or upon termination of such participant's participation or termination of the Plan by the Company. However, gain or loss will be realized by the participant when whole shares are sold, either pursuant to the participant's request when such participant terminates participation in the Plan or by such participant after such termination. In addition, a participant who receives, upon termination of participation or termination of the Plan by the Company, a cash adjustment for a fraction of a share credited to such participant's account will realize a gain or loss with respect to such fraction. The amount of any such gain or loss would be the difference between the amount

which the participant receives for such participant's shares or fraction of a share and the tax basis therefor.

For other tax consequences of participation in the Plan, including state and local income taxation, participants should consult their tax advisor.

The above Federal Income Tax discussion is based on Federal income tax law as in effect as of the date hereof. Participants should consult their tax advisors with respect to the impact of any future legislative proposals or legislation enacted after the date of this Prospectus.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of Common Stock, without par value, of which 224,345,422 shares were outstanding at December 31, 1993, and serial preference stock, par value \$25 per share, none of which has been issued. The following statements with respect to such capital stock of the Company are a summary of certain rights and privileges attaching to the stock under the laws of the State of Texas and the Restated Articles of Incorporation and Bylaws of the Company, as amended. This summary does not purport to be complete and is qualified in its entirety by reference to such laws, the Restated Articles of Incorporation and Bylaws of the Company, as amended, for complete statements.

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Each holder of shares of the Common Stock is entitled to one vote for each share of Common Stock held on all questions submitted to holders of shares and to cumulative voting at all elections of directors. The Common Stock has no preemptive or conversion rights. Upon issuance and sale of the shares offered hereby, such shares will be fully paid and nonassessable.

The holders of the shares of the preference stock are not accorded voting rights, except that, when dividends thereon are in default in an amount equivalent to four full quarterly dividends, the holders of shares of the preference stock are entitled to vote for the election of one-third of the Board of Directors or two directors, whichever is greater, and, when dividends are in default in an amount equivalent to eight full quarterly dividends, for the election of the smallest number of directors necessary so that a majority of the full Board of Directors shall have been elected by the holders of the shares of the preference stock. The Company must also secure the approval of the holders of two-thirds of the outstanding shares of the preference stock prior to effecting various changes in its capital structure.

After the payment of full preferential dividends on the shares of any outstanding preference stock, holders of shares of the Common Stock are entitled to dividends when and as declared by the Board of Directors. After payment to the holders of shares of any outstanding preference stock of the preferential amounts to which they are entitled, the remaining assets to be distributed, if any, upon any dissolution or liquidation shall be distributed to the holders of shares of the Common Stock. Each share of the Common Stock is equal to every other share of the Common Stock with respect to dividends and also with respect to distributions upon any dissolution or liquidation. (Reference is made to Note 3 to Financial Statements contained in the 1992 10-K.)

The Common Stock of the Company is listed on the New York, Midwest and Pacific stock exchanges. Application is being made for the listing on such exchanges of the additional shares offered hereby.

The transfer agent for the Common Stock is Texas Utilities Shareholder Services, Dallas, Texas.

EXPERTS AND LEGALITY

The financial statements and financial statement schedules included in the latest Annual Report of the Company on Form 10-K, incorporated by reference, have been audited by Deloitte & Touche, Independent Auditors, as stated in their report included in said latest Annual Report of the Company on Form 10-K, and have been incorporated by reference herein in reliance upon such report given upon the authority of that firm as experts in accounting and auditing.

With respect to any unaudited interim financial information included in the Company's Quarterly Reports on Form 10-Q that are or will be incorporated herein by reference, Deloitte & Touche applies limited procedures in accordance with professional standards for reviews of such information. As stated in any of their reports that are included in the Company's Quarterly Reports on Form 10-Q that are or will be incorporated herein by reference, they did not audit or will not have audited and they did not express or will not have expressed an opinion on such interim financial information. Accordingly, the degree of reliance on any of their reports on such information should be restricted in light of the limited nature of the review

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procedures applied. Deloitte & Touche are not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended (Act), for any of their reports on such unaudited interim financial information because those reports are not "reports" or a "part" of the Registration Statement filed under the Act with respect to the Common Stock offered hereby, that were prepared or certified by an accountant within the meaning of Sections 7 and 11 of such Act.

The statements made as to matters of law and legal conclusions in this Prospectus under Description of Capital Stock and in the Company's latest Annual Report on Form 10-K under Part I, Item 1 - Business-Regulation and Rates, Comanche Peak Nuclear Generating Station and Environmental Matters, incorporated herein by reference, have been reviewed by Worsham, Forsythe, Sampels & Wooldridge, Dallas, Texas, General Counsel for the Company. All of such statements are set forth or incorporated herein by reference in reliance upon the opinion of that firm given upon their authority as experts. At December 31, 1993, members of the firm of Worsham, Forsythe, Sampels & Wooldridge, L.L.P., owned approximately 48,250 shares of the Common Stock of the Company.

The statements of law and legal conclusions under the caption Federal Income Tax have been reviewed by Reid & Priest, New York, New York, of counsel to the Company, and such statements are made upon their authority as experts.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR ANY OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

<TABLE>

<S>

TEXAS UTILITIES COMPANY

2001 BRYAN TOWER
DALLAS, TEXAS 75201

<C>

BULK RATE
U.S. POSTAGE
PAID
DALLAS, TEXAS
PERMIT NO. 1

[LOGO]

AGENT FOR PARTICIPANTS
Texas Utilities Shareholder Services
Dividend Reinvestment Plan
P.O. Box 225249
Dallas, Texas 75222-5249
(800) 828-0812

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PROSPECTUS FEBRUARY 2, 1994
-----7,000,000 SHARES
COMMON STOCK
WITHOUT PAR VALUE
TEXAS UTILITIES COMPANY
AUTOMATIC DIVIDEND
REINVESTMENT AND
COMMON STOCK
PURCHASE PLAN

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</TABLE>

PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

<TABLE>
<CAPTION>

EXHIBIT	PREVIOUSLY FILED*		<C>
	WITH FILE NUMBER	AS EXHIBIT	
<S>	<C>	<C>	<C>
5 (a)			--Opinion of Worsham, Forsythe, Sampels & Wooldridge, L.L.P.
5 (b) and 8			--Opinion of Reid & Priest.

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, and State of Texas, on the 31st day of January, 1994.

Texas Utilities Company

By /s/ H. Jarrell Gibbs

H. Jarrell Gibbs, Vice President

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed below by the following persons in the capacities and on the date indicated.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
-----	-----	----
<S>	<C>	<C>
/s/ J.S. Farrington*	Principal Executive Officer and Director	January 31, 1994
----- (J.S. Farrington, Chairman of the Board and Chief Executive)		
/s/ Erle Nye*	President and Director	January 31, 1994
----- (Erle Nye, President)		
/s/ H. Jarrell Gibbs	Principal Financial Officer	January 31, 1994
----- (H. Jarrell Gibbs, Vice President)		
/s/ H. Dan Farell*	Principal Accounting Officer	January 31, 1994
----- (H. Dan Farell, Controller)		

Jack W. Evans, Bayard H. Friedman, Directors* January 31, 1994
William M. Griffin,
Margaret N. Maxey,
James A. Middleton, Charles R. Perry,

Herbert H. Richardson

*By: /s/ H. Jarrell Gibbs

January 31, 1994

H. Jarrell Gibbs (Attorney-in-fact)

</TABLE>

WORSHAM, FORSYTHE, SAMPELS & WOOLDRIDGE, L.L.P.
Attorneys and Counselors at Law
Thirty-two Hundred, 2001 Bryan Tower
Dallas, Texas 75201

Telephone (214) 979-3000
Fax (214) 880-0011

February 2, 1994

Texas Utilities Company
2001 Bryan Tower
Dallas, Texas 75201

Ladies and Gentlemen:

Referring to the proposed offer and sale of shares of your common stock without par value (Stock) pursuant to your Automatic Dividend Reinvestment and Common Stock Purchase Plan (Plan) as contemplated in Registration Statement No. 33-55408, as amended and as to be further amended by Amendment No. 2 to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or about the date hereof, we are of the opinion that:

1. The Company is a corporation validly organized and existing under the laws of the State of Texas.
2. All necessary action on the part of the Company's Board of Directors with respect to the issuance and sale of Stock to be purchased directly from the Company has been taken.
3. Any Stock to be purchased directly from the Company will be validly issued, fully paid and non-assessable when such Stock shall have been issued and sold for the consideration contemplated in Amendment No. 2 to Registration Statement No. 33-55408; and
4. Stock purchased on the open market is validly issued, fully paid and non-assessable.

We hereby consent to the use of our name in Registration Statement No. 33-55408, as so amended, and to the use of this opinion as an exhibit thereto.

Very truly yours,

WORSHAM, FORSYTHE, SAMPELS
& WOOLDRIDGE, L.L.P

By: _____/s/Neil D. Anderson_____
A Partner

REID & PRIEST
40 West 57th Street
New York, New York 10019-4097

February 2, 1994

Texas Utilities Company
2001 Bryan Tower
Dallas, Texas 75201

Ladies and Gentlemen:

Referring to the proposed offer and sale by Texas Utilities Company (Company) of shares of its common stock without par value (Stock) pursuant to the Company's Automatic Dividend Reinvestment and Common Stock Purchase Plan (Plan) as contemplated in Registration Statement No. 33-55408, as amended and as to be further amended by Amendment No. 2 to be filed with the Securities and Exchange Commission (Commission) under the Securities Act of 1933, as amended, on or about the date hereof, we are of the opinion that:

1. The Company is a corporation validly organized and existing under the laws of the State of Texas.

2. All necessary action on the part of the Company's Board of Directors with respect to the issuance and sale of Stock to be purchased directly from the Company has been taken.

3. Any Stock to be purchased directly from the Company will be validly issued, fully paid and nonassessable when such Stock shall have been issued and sold for the consideration contemplated in Amendment No. 2 to Registration Statement No. 33-55408.

4. Stock to be purchased on the open market is validly issued, fully paid and non-assessable; and

5. The statements made in Amendment No. 2 to Registration Statement No. 33-55408, under the heading "Federal Income Tax", constitute an accurate general description of the material Federal income tax consequences to participants in the Plan.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of the State of Texas. As to all matters of Texas law, we have with your consent relied upon an opinion of even date herewith addressed to you by Worsham, Forsythe, Sampels & Wooldridge, L.L.P. of Dallas, Texas.

We hereby consent to the use of our name in Amendment No. 2 to Registration Statement No. 33-55408, and to the use of this opinion as an exhibit thereto.

Very truly yours,

_____/s/ Reid & Priest_____

REID & PRIEST