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**Sharyland Utilities Announces Transaction with Oncor and Agreement on Rate Case Dismissal;
Deal Would Exchange Sharyland Distribution Business for Oncor Transmission Lines and
Significantly Reduce Rates for Sharyland Customers**

(DALLAS, TEXAS) – Sharyland Utilities, L.P. (Sharyland or Sharyland Utilities) announced today that it and Sharyland Distribution & Transmission Services, L.L.C. (SDTS) have signed a definitive agreement with Oncor Electric Delivery Company LLC (Oncor) to exchange their retail distribution assets and retail distribution operations for a set of Oncor’s transmission lines in West and Central Texas. In connection with this agreement, Sharyland and SDTS, along with other parties, have agreed to dismiss Sharyland’s current rate case upon closing of the Oncor transaction.

This proposed transaction means that Sharyland’s approximately 54,000 retail distribution customers will become Oncor customers and, as a result, will see significantly reduced regulated retail delivery rates.

“This provides significant rate relief for our retail distribution customers,” said David A. Campbell, CEO of Sharyland Utilities and InfraREIT, Inc. “This transaction is the right thing to do for our customers and for the communities we serve. We would like to thank the Staff of the Public Utility Commission of Texas, the Texas Office of Public Utility Counsel, and the other parties for working diligently and constructively with the companies to reach these agreements.”

“Since our inception, Sharyland Utilities has been strongly committed to serving as a community-centric utility, providing our customers with safe, reliable, affordable power,” said Hunter Hunt, Chairman of Sharyland Utilities. “We believe the most community-centric action we can take is to give our customers access to a world class utility like Oncor with the lowest rates in the State, and focus our forward strategy in support of the transmission infrastructure necessary for our communities to continue to grow and prosper.”

Brian Lloyd, Executive Director of the Public Utility Commission of Texas (PUCT), commented, “I am immensely appreciative of Sharyland, SDTS and Oncor for the months of hard work that went into crafting these agreements. This landmark settlement will provide substantial rate relief to Sharyland customers by rolling them into the much larger customer base of Oncor, a fair resolution to Oncor’s rate case, and regulatory certainty for these utilities and their customers. I am proud to have the PUCT Staff join the other signatories in presenting these agreements to the Commissioners for their prompt consideration.”

Specific details of the proposed transaction include:

- Sharyland and SDTS will transfer to Oncor their retail distribution assets and retail distribution operations located in their Stanton, Brady, and Celeste (SBC) service territories, as well as their McAllen service territory.
- Oncor will transfer to SDTS transmission lines of similar value located in West and Central Texas, which Sharyland will operate on behalf of SDTS.
- Along with the assets transferred by Oncor, Sharyland and SDTS will retain their transmission system in the Texas Panhandle and their transmission assets and substations in the Stanton and McAllen service territories.
- Once all required approvals are obtained and the transaction closes, after a brief transition period Sharyland’s retail distribution customers in all of its service territories will transfer to Oncor and Oncor’s tariff schedule.
- Sharyland’s retail distribution customers in its SBC territories will receive a significant reduction in their regulated delivery rates.

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- For Sharyland’s retail distribution customers in its McAllen territory, this transaction will prevent the anticipated rate increases that were proposed in Sharyland’s pending rate case.
- In the interim, Sharyland will reduce its base distribution rates by approximately 10 percent for its residential customers in its SBC service area. This interim rate relief for residential customers will reflect a \$3 million decrease in Sharyland’s retail distribution revenue requirement on an annualized basis. Sharyland is seeking regulatory approval for the interim rate relief and hopes that it will take effect in the next 60 days and remain in effect until customers are transitioned to Oncor after the transaction closes.
- Upon closing of the transaction, the rate case for Sharyland and SDTS will be dismissed.
- Going forward, Sharyland will operate transmission assets and substations and will serve as a transmission service provider.

“We are excited and optimistic about our current and expanding transmission business,” said Campbell. “Texas continues to experience electric load growth, the addition of renewables generation, and the ongoing modernization of the grid, and Sharyland looks forward to supporting the infrastructure needs of the state.”

As of today, Sharyland and SDTS entered into an agreement with certain parties to the rate case under Docket No. 45414, which, if approved by the PUCT, would result in the dismissal of the rate case upon the closing of the transaction with Oncor. A new rate case is required to be filed in 2020 with a test year ending December 31, 2019. Until the next rate case, Sharyland and SDTS will continue to operate under their existing regulatory structure and currently approved regulatory parameters.

The closing of this transaction will be subject to a number of closing conditions, including approval by the PUCT of the transaction, the rate case dismissal, and Oncor’s rate case settlement, in each case on terms consistent with those proposed by the relevant parties. The closing of the transaction is also contingent upon Oncor’s parent company obtaining consent of the U.S. Bankruptcy Court for the District of Delaware, as well as other customary closing conditions. Sharyland, SDTS and Oncor expect to jointly file the Sale-Transfer-Merger application with the PUCT no later than August 4, 2017. If the required approvals are obtained, Sharyland expects that the transaction will close in the fourth quarter of 2017.

In addition, Sharyland has contributed \$150,000 to a charitable fund that will be administered by The Dallas Foundation to provide financial assistance during the interim period for churches and places of worship of all denominations in Sharyland’s SBC service area that are billed on a demand basis, until they are transitioned to Oncor. Eligible customers can download an application form at www.sharyland.com/rates or get more information by contacting Tiffany Collins, Grants Department at The Dallas Foundation, at 214-741-9898 or grants@dallasfoundation.org.

Additional information about the proposed transaction can be found at www.sharyland.com/oncor.

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About Sharyland Utilities, L.P.

Sharyland Utilities, L.P. is a Texas-based public electric utility that is fully regulated by the Public Utility Commission of Texas. We are committed to providing quality customer service, affordable rates, safe and reliable electric delivery, and increased investment in the electric grid of Texas. Sharyland Utilities currently serves approximately 54,000 customers in 29 counties throughout Texas. Sharyland Utilities is privately-owned by Hunter L. Hunt and other members of the family of Ray L. Hunt, and is managed by Hunter L. Hunt. Additional information about Sharyland can be found at www.sharyland.com.

About Sharyland Distribution & Transmission Services, L.L.C. (SDTS)

SDTS is a regulated subsidiary of InfraREIT, Inc., a real estate investment trust that is engaged in owning and leasing rate-regulated electric transmission and distribution assets in the state of Texas. InfraREIT, Inc. is externally managed by Hunt Utility Services, LLC, an affiliate of Hunt Consolidated, Inc. (a diversified holding company based in Dallas, Texas and managed by the Ray L. Hunt family), and its shares are traded on the New York Stock Exchange under the symbol “HIFR”. Additional information on InfraREIT is available at <http://www.InfraREITInc.com>.