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**For Immediate Release**  
**January 3, 2017**

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### **Sharyland Files Amended Rate Case; Addresses New Procedural Requirements**

(DALLAS, TEXAS) Sharyland Utilities, L.P. (Sharyland) today announced that on December 30, 2016, it filed an amended rate filing package as part of its ongoing system-wide rate case with the Public Utility Commission of Texas (PUCT) to set regulated delivery rates for all of Sharyland's retail service territories. Sharyland jointly filed this amended package along with Sharyland Distribution & Transmission Services, L.L.C. (SDTS).

"This amended filing represents an important milestone in moving our rate case forward," said David Campbell, Chief Executive Officer of Sharyland. "It primarily addresses new procedural requirements related to the regulation of our lease agreements with SDTS, with minimal impacts on our proposed rates for our residential customers."

Sharyland originally filed its rate case on April 29, 2016, to consolidate Sharyland's two existing tariffs (one for its Stanton, Brady, and Celeste (SBC) service territories and one for its McAllen service territory) into a single unified tariff that will set uniform system-wide rates for all territories.

In reviewing the initial application, the PUCT determined that it would amend its previous method of regulating Sharyland and its leases. Sharyland leases utility assets that are owned by SDTS, and Sharyland operates and maintains these assets on behalf of SDTS.

On October 7, 2016, the PUCT approved a preliminary order directing Sharyland and SDTS to jointly file an amended rate case application no later than January 1, 2017.

On December 30, 2016, Sharyland and SDTS jointly filed the amended rate case application and rate filing packages that seek to: 1) set new wholesale and retail rates that Sharyland will charge its customers; 2) establish the rates that SDTS will charge to its only customer, Sharyland; and 3) grant a certificate of convenience and necessity (CCN) and transfer CCN rights to SDTS.

As part of this amended filing, Sharyland highlights the significant capital investments it has made to the transmission and distribution system since 2012, which was the test year for its previous rate case in 2013. These investments were critical in supporting the approximately 15 percent annual load growth in Sharyland's West Texas SBC territory and in renovating the outdated SBC system that Sharyland acquired from Cap Rock Energy in 2010.

"Since 2012, Sharyland has made significant investments to improve the system and to meet continued load growth in the regions we serve," said Campbell. "Going forward, we will continue our efforts to improve the efficiency of our system and our operations."

For an average Sharyland residential customer using approximately 1,333 kilowatt hours a month, those in Sharyland's SBC territories would see monthly delivery rates decrease by approximately \$3, not including riders, and similar residential customers in Sharyland's McAllen territory would see monthly delivery rates increase by approximately \$36, not including riders. With riders included, the monthly bill for an average SBC residential customer will remain essentially the same, and the monthly bill for an average McAllen residential customer would increase \$55 overall, similar to what was proposed in the original filing back in April 2016.

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For the past 16 years, Sharyland has subsidized rates for its McAllen division customers. For this filing, the regulated delivery rates in McAllen were calculated using system-wide cost-based rates, as required by the PUCT final order in the 2013 rate case. The current rate case will be the first full review of rates in our McAllen service territory in 16 years.

Sharyland has filed this amended rate case application under PUCT Docket No. 45414, with final action by the PUCT expected by mid-summer 2017. Additional information about this rate case can be found on Sharyland's website at [www.sharyland.com/rates](http://www.sharyland.com/rates).

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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](http://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 owns 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 the Company's shares are traded on the New York Stock Exchange under the symbol "HIFR". Additional information on InfraREIT is available at <http://www.InfraREITInc.com>.