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## **PRESS RELEASE**

### **InfraREIT's Tenant, Sharyland Utilities, Files Rate Case with the Public Utility Commission of Texas**

DALLAS, TEXAS, April 29, 2016—InfraREIT, Inc. (NYSE: HIFR) (InfraREIT or the Company) today announced that InfraREIT's tenant, Sharyland Utilities, L.P. (Sharyland), filed a scheduled system-wide rate case with the Public Utility Commission of Texas (PUCT), under Docket No. 45414 to set regulatory delivery rates for its service territories. Sharyland is responsible for regulatory compliance and reporting requirements related to InfraREIT's assets. The filing is in compliance with conditions that were set by the PUCT's previous order in Sharyland's 2013 rate case.

Sharyland's 2016 rate case is requesting:

- Allowed return on equity of 10 percent
- Maintaining the current capital structure of 55 percent for debt and 45 percent for equity
- Reduction in cost of debt to 4.97 percent, down from 6.73 percent

The rate case filing highlighted the significant capital investments since Sharyland's last rate case filing in 2013. In the Texas Panhandle there has been over \$600 million in transmission investment supporting the development of clean, cost-effective, renewable energy for customers in Texas. Additionally, during the past three years more than \$300 million in transmission and distribution infrastructure investment has been made to renovate and update the SBC electric systems acquired from Cap Rock Energy in 2010. This investment was also needed to support the significant load growth of approximately 15 percent per year over the past five years due to increased oil and gas exploration and production activity throughout the West Texas region.

This filing will 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 tariff that will set uniform system-wide rates for all territories. The filing proposes \$3 million a year in rate credits for all residential customers, which will help hold regulated delivery rates essentially flat for the average residential customer in its SBC service territories and result in an approximately \$55 per month increase for the average McAllen residential customer. For the past 16 years, Sharyland has subsidized rates for its McAllen service territory. For this filing, the regulated delivery rates in McAllen were calculated using system-wide cost-based rates, as required by the 2013 PUCT order. The current rate case will be the first full review of rates in the McAllen service territory since 2000.

Supplemental information relating to Sharyland's rate case can be found at [www.InfraREITInc.com](http://www.InfraREITInc.com) under the "About InfraREIT/Sharyland Utilities-Our Tenant" section of the Company Web site. InfraREIT will also post updates to this section of the Company's Web site as new information becomes available.

#### **About InfraREIT, Inc.**

InfraREIT is a real estate investment trust that owns rate-regulated electric transmission and distribution assets in the state of Texas. The Company 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>.

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**Forward-Looking Statements**

This press release contains “forward-looking statements” within the meaning of the federal securities laws. These statements state the current expectations or intentions of the Company regarding future events, which by their nature, involve known and unknown risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated above include, among others, risks and uncertainties related to the outcome of the rate case. These and other applicable uncertainties, factors and risks are described more fully in the Company’s filings with the U.S. Securities and Exchange Commission.

Any forward-looking statement made by the Company in this press release is based only on information currently available to InfraREIT and speaks only as of the date on which it is made. InfraREIT undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than required by applicable law.

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