



Asset Swap Q&A

Q: What are the specifics of the transaction?

A: Oncor Electric Delivery (Oncor) and Sharyland Utilities (Sharyland) have agreed to swap assets in a transaction valued at approximately \$400 million.

After successful close of the transaction, Sharyland will receive approximately 258 miles of 345 kV transmission lines from Oncor, and Oncor will receive all of Sharyland's distribution network and, following ERCOT market transitioning processes, all of Sharyland's retail delivery customers.

Q: How many current Sharyland customers will become Oncor customers?

A: After successful close of the transaction, all of Sharyland's approximately 54,000 customers will become Oncor customers and benefit from among the lowest electric delivery rates of any investor owned utility in Texas.

Q: Why is Oncor swapping assets with Sharyland?

A: This asset swap is good for Texas, and good for Oncor.

- Good for Texas: Oncor's economies of scale help deliver value for Sharyland customers. Lower rates will provide more disposable income for Texas families, and will help make commercial businesses in Sharyland's former service territory more competitive.
- Good for Oncor: At Oncor, we are always looking for new opportunities to grow our business. This transaction allows Oncor to acquire new customers and continue to expand our growing and vibrant service territory.

Q: Are asset swaps common in the energy industry?

A: Swapping assets is a common energy industry practice and allows Oncor to gain thousands of new customers while preserving equity for shareholders.

Q: Does this proposed asset swap have to be approved by the Public Utility Commission of Texas?

A: The proposed asset swap must be approved by the Public Utility Commission of Texas (PUCT). A joint change-in-control filing from both Oncor and Sharyland will be filed with the PUCT. Change-in-control proceedings can last up to 180 days from the date of application.

Q: When is the proposed transaction expected to close?

A: If approved by regulators, the proposed asset swap is expected to close sometime in late 2017.



Q: Are regulators and consumer groups supportive of this proposed asset swap?

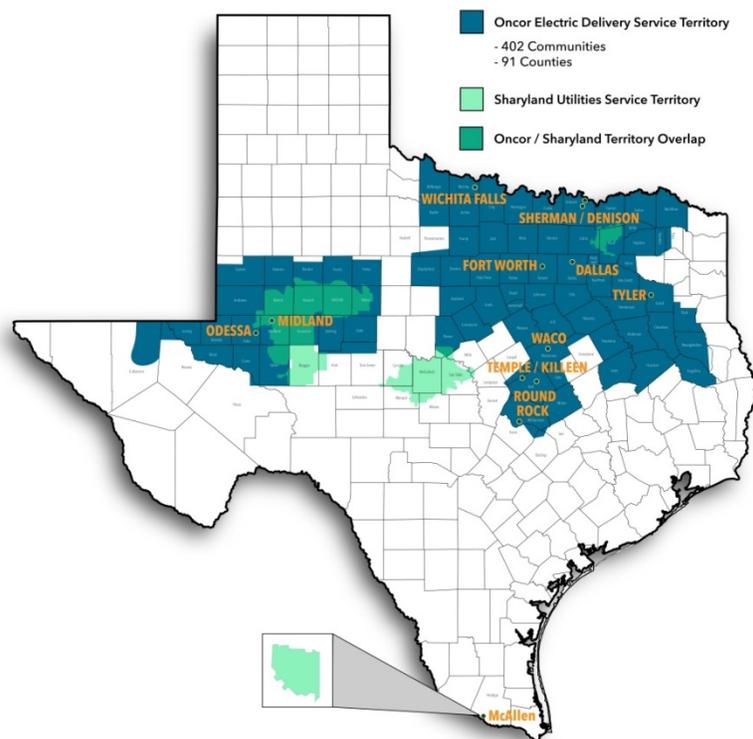
A: The PUCT has expressed support for Oncor’s proposed asset swap with Sharyland. With significant benefits for Sharyland distribution customers, industry organizations and consumer groups are also supportive of this proposed transaction.

Q: Will Sharyland customers see a reduction in their monthly electric bill?

A: Upon close of the transaction, Sharyland customers will benefit from among the lowest rates of any investor owned utility in Texas.

Q: What is Sharyland’s current service territory?

A: Below is a map illustrating both Oncor and Sharyland’s current service territories.



Q: Is this asset swap related to Hunt Consolidated’s previous attempt to purchase Oncor?

A: No, this asset swap is a completely separate transaction and is not related to Hunt Consolidated’s previous attempt to purchase Oncor.

Q: Will Oncor open new facilities to help service the new territory?

A: No, however Oncor will continue to use the service centers in Stanton, Brady, and Celeste that are presently used by Sharyland.