

VOLUNTARY NOTICE OF  
POTENTIAL BOND ISSUANCE

September 11, 2019

Capitalized terms used in this notice and not otherwise defined herein shall have the meanings ascribed to them in the Official Statement, dated March 13, 2019, relating to the Lower Colorado River Authority Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2019 issued by the Lower Colorado River Authority (“LCRA”) on behalf of the LCRA Transmission Services Corporation (the “Corporation”).

On September 18, 2019, the Corporation Board and the LCRA Board are currently scheduled to consider the adoption of resolutions delegating the authority to an authorized representative of LCRA to approve the issuance of one or more series of bonds as Transmission Contract Debt in a maximum aggregate principal amount not to exceed \$250 million for the purposes of (i) refunding certain Transmission Contract Revenue Notes, (ii) acquiring and constructing improvements and extensions to electric transmission and transformation facilities of the Corporation in a maximum principal amount not to exceed \$75 million, (iii) funding a debt service reserve fund for such any such bonds and/or (iv) paying costs of issuance for any such bonds.

Assuming that the Corporation Board and the LCRA Board adopt such resolutions in their current form, LCRA currently contemplates utilizing such authority to price one series of fixed rate bonds (the “Proposed Bonds”) up to the maximum authorized principal amount of \$250 million during the week of September 30, 2019\* through a negotiated sale to a syndicate of underwriters led by Barclays Capital Inc. as senior manager.

The Proposed Bonds as Transmission Contract Debt would be secured by a lien on and pledge of certain Installment Payments payable to LCRA from the Corporation pursuant to an amended and restated Transmission Contract Revenue Debt Installment Payment Agreement, dated as of March 1, 2003 as supplemented by a Transmission Contract Revenue Debt Installment Payment Agreement Supplement Relating to the Proposed Bonds, dated as of October 1, 2019.

The size, timing, and structure of the potential transaction for the Proposed Bonds is subject to market conditions. LCRA reserves the right to change the timing and size of the sale or not to issue the Proposed Bonds.

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\*Preliminary, subject to change.

**This notice does not constitute an offer to sell or the solicitation of an offer to buy any bonds nor will there be any sale of the Proposed Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation, or sale. Any such offer or solicitation will only be made pursuant to an official statement that prospective investors should review in its entirety before making any investment decision.**

*The publication of this notice does not constitute or imply any representation (i) that the foregoing is material to investors, (ii) that no other circumstances or events have occurred or that no other information exists concerning LCRA, the Corporation, or any of their respective outstanding debt obligations and the Proposed Bonds which may have a bearing on the financial condition of LCRA, the Corporation, the security for such debt obligations or the Proposed Bonds, or an investor’s decision to buy, sell or hold any such debt obligations or the Proposed Bonds, or (iii) regarding any other financial, operating or other information about LCRA, the Corporation or any of their respective outstanding debt obligations.*

*By providing this notice as a voluntary filing, neither LCRA nor the Corporation undertake to make any additional filings not otherwise required by their respective undertakings made pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12. LCRA and the Corporation specifically disclaim any obligation to update the information contained in this notice or to provide any such similar notices in the future.*