

LCRA Transmission Services Corporation

Board Agenda

Wednesday, Jan. 17, 2018
LCRA Board Room
Austin

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- 12. Approve LCRA’s Twenty-Fifth Supplemental Resolution to the LCRA Transmission Contract Revenue Financing Program regarding the LCRA Transmission Services Corporation Commercial Paper Program Tax-Exempt Series and Authorize Related Agreements..... 45

***This agenda item requires the approval of at least 12 Board members.**

Legal Notice

Although this is the expected agenda, the Board may discuss or take action on any item listed in the legal notice, which may include some items not currently on the Board agenda. Legal notices are available on the Texas Secretary of State website 72 hours prior to the meeting at the following link: <http://www.sos.state.tx.us/open/>.

Executive Session

The Board may go into executive session for deliberation on the matters listed in the legal notice posted pursuant to Chapter 551 of the Texas Government Code.

The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code.

OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

In connection with the implementation of retail competition in the electric utility industry in the State of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under State legislation known as Senate Bill 7, and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85 percent area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

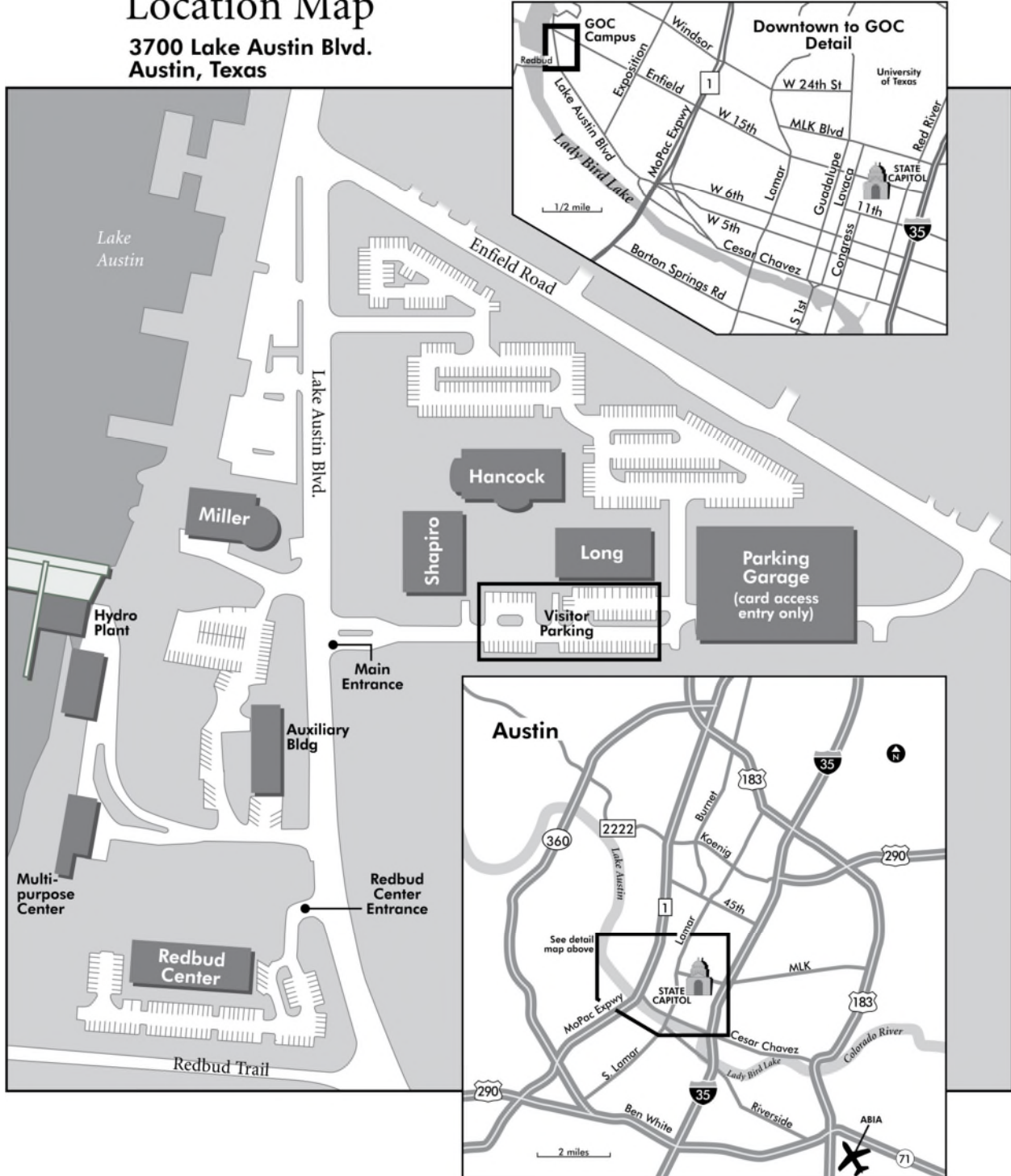
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

The LCRA TSC Board Policy on Authority and Responsibilities directs that the business plan of the affiliate include for approval a schedule of capital projects proposed for the fiscal year. The policy also states that only deviations from the approved plan will be brought before LCRA TSC Board. As such, the LCRA TSC Board agenda will not include consent items to approve specific capital projects, unless the project scope or budget changes significantly from what was originally approved.

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR DISCUSSION

1. Financial Report

Board Consideration

This report is presented monthly to the Board for discussion.

Summary

The financial report for LCRA Transmission Services Corporation covers the month and fiscal year to date.

Presenter(s)

Julie Rogers
Controller

LCRA Transmission Services Corporation

Financial Highlights

December 2017

LCRA Transmission Services Corporation

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Key terms:

4CP – Four-month coincident peak is the average of the peak Electric Reliability Council of Texas electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.

ELOPPP – Extraordinary LCRA Optional Purchase Price Payment.

FYE – Fiscal year-end.

Net margin – Total operating revenues, including interest income, less direct and assigned expenses.

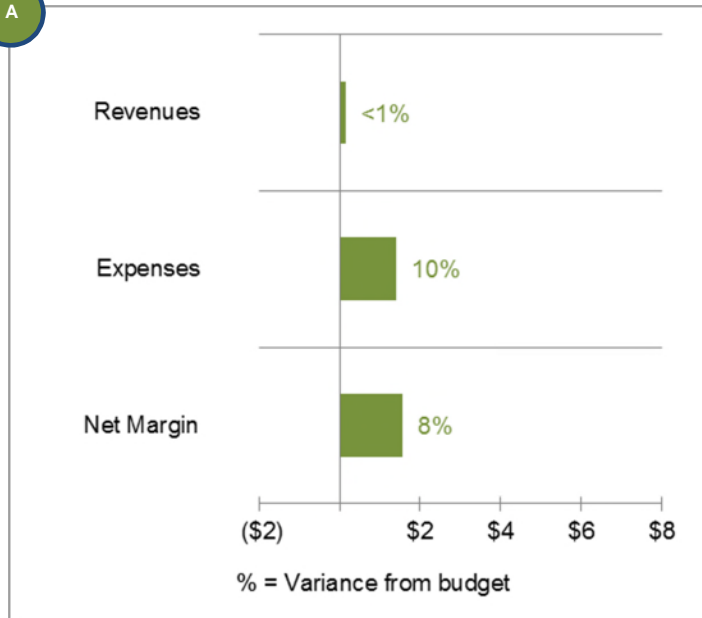
LCRA Transmission Services Corporation

Dec. 31, 2017

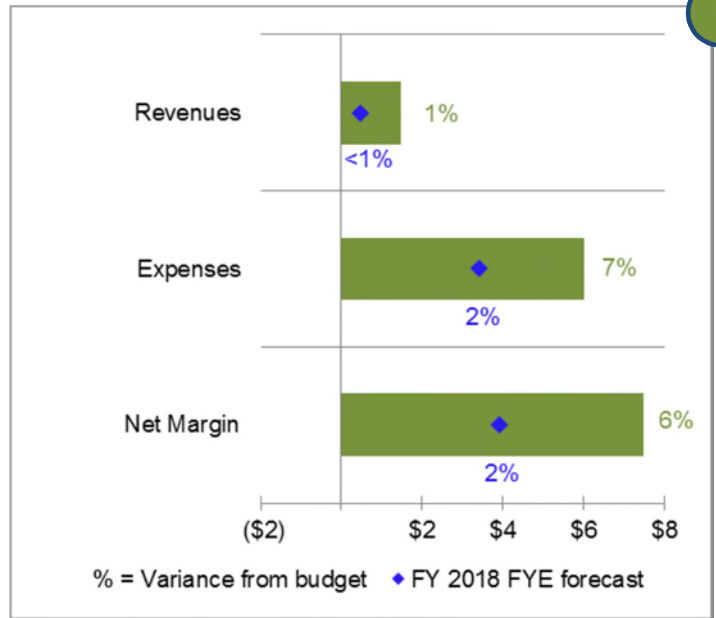
(Dollars in Millions)

Budget-to-Actual Highlights

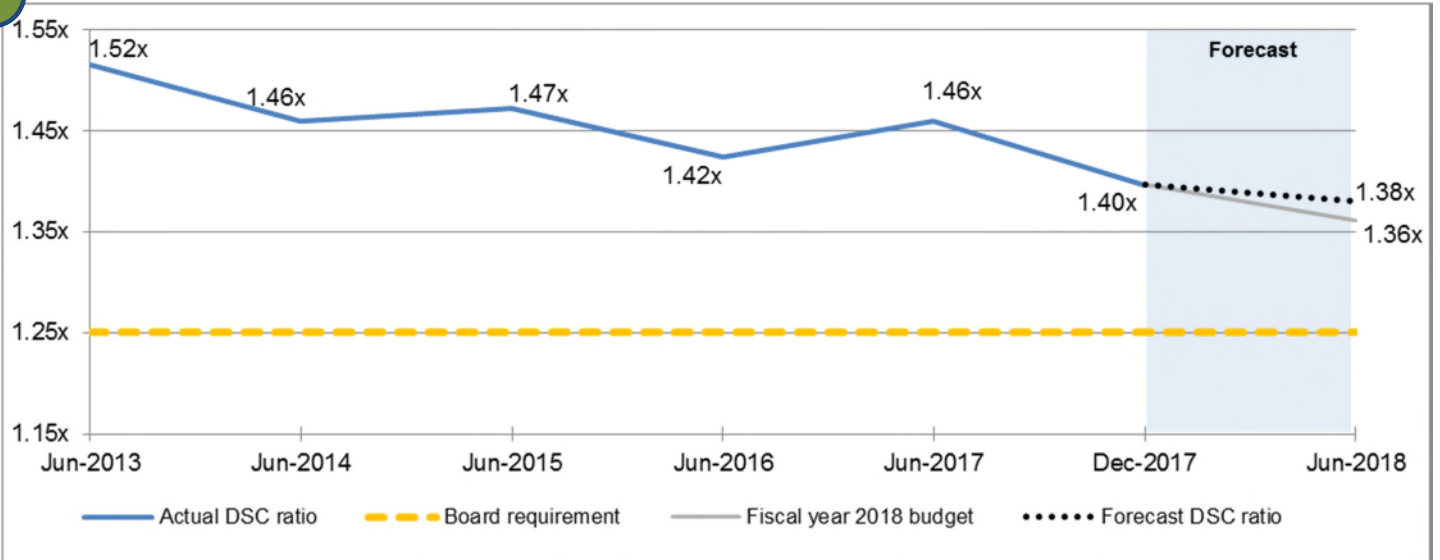
Monthly Variances



Fiscal Year-to-Date Variances



Debt Service Coverage



Key takeaways:

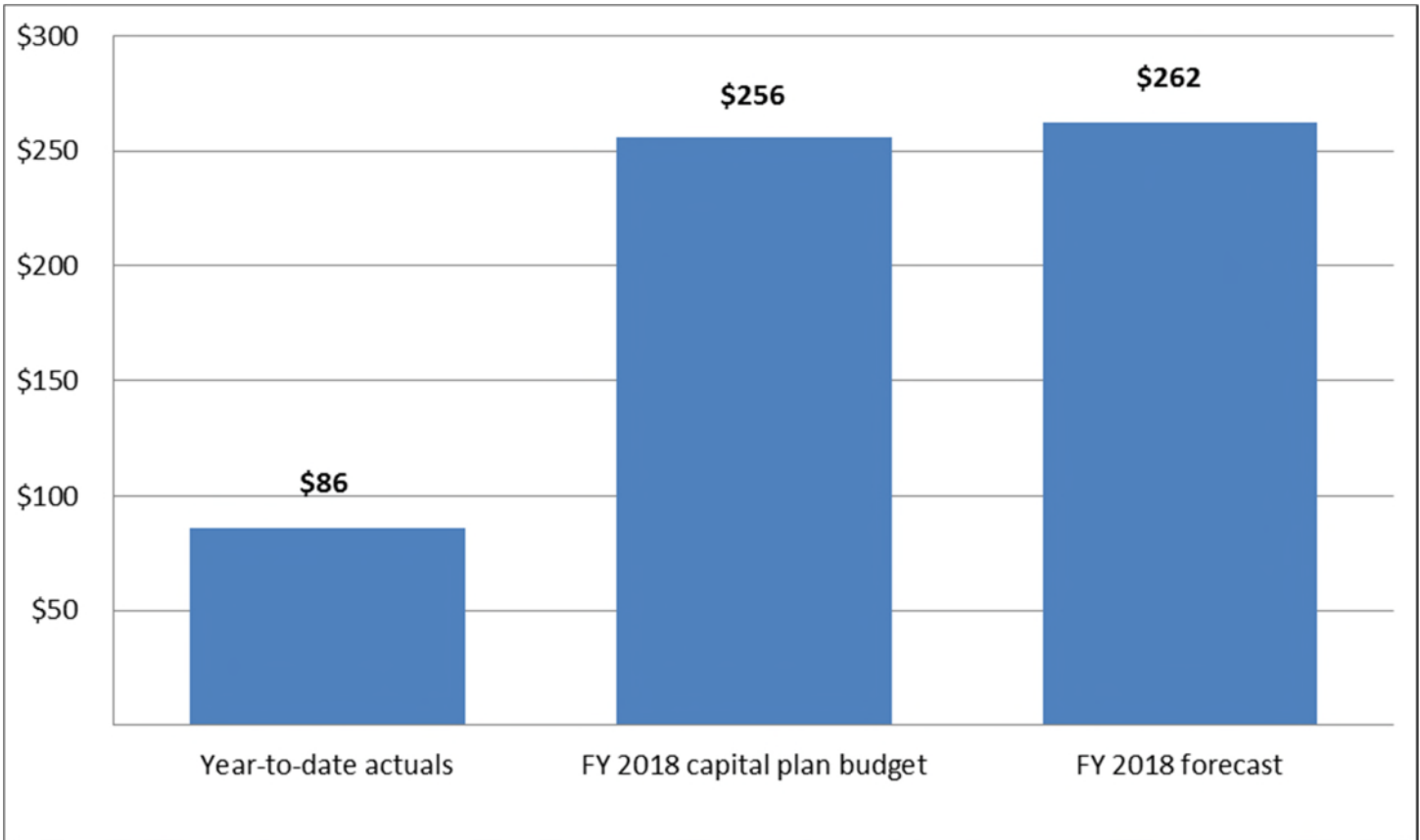
- Monthly performance was driven by the timing of expenses.
- Year-to-date performance was driven by unbudgeted revenue from generation interconnect studies, higher transmission cost of service revenues, and a combination of lower expenses and timing differences.
- The year-end forecast is driven by unbudgeted revenue from generation interconnect studies and lower expenses than budgeted.
- Debt service coverage is projected to be higher than budgeted due to higher-than-budgeted revenue and lower-than-budgeted expense year-end forecasts.

LCRA Transmission Services Corporation

Dec. 31, 2017

(Dollars in Millions)

Capital Forecast



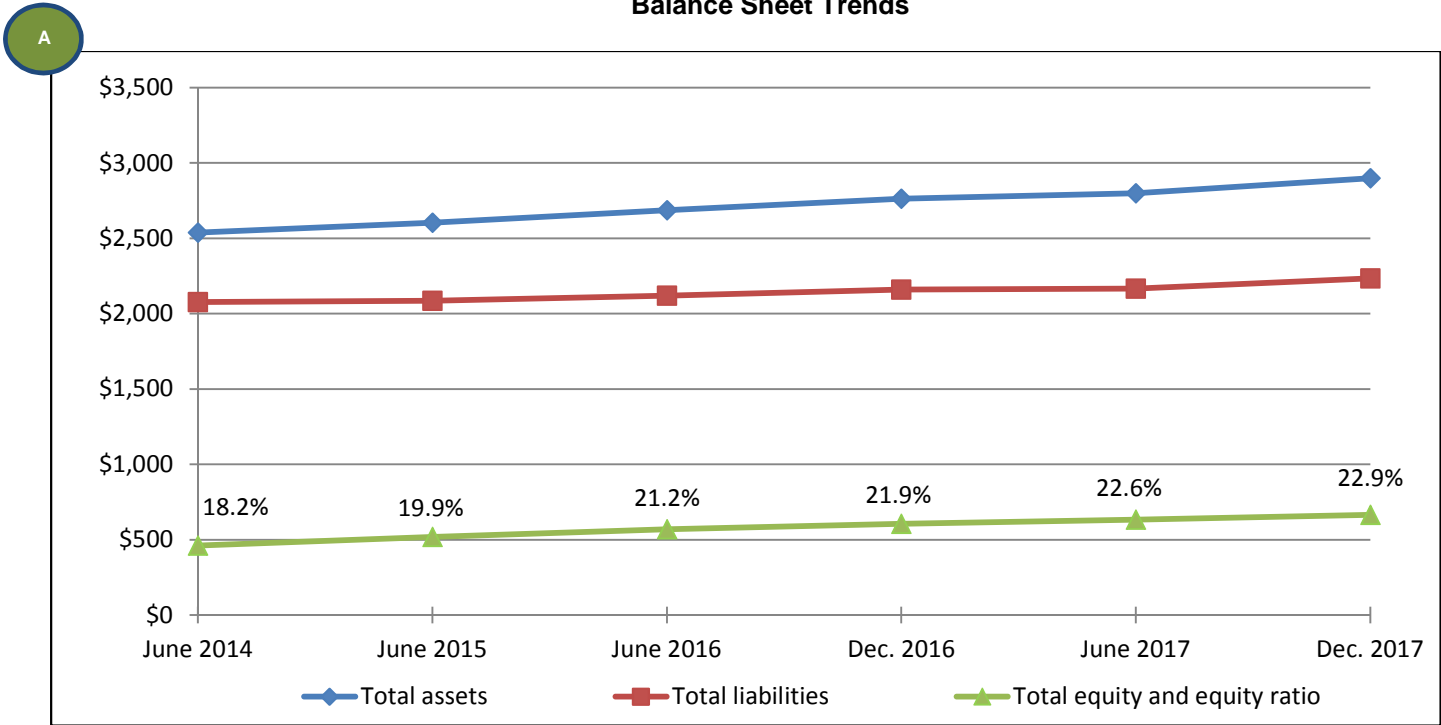
Business area	Year-to-date actuals	Percentage of budget spent	FY 2018 capital plan budget	FY 2018 capital forecast	Variance to forecast
Transmission	\$ 86.0	34%	\$ 255.8	\$ 262.3	\$ (6.5)

Key takeaways:

- LCRA Transmission is currently projecting capital spending for FY 2018 will be \$6.5 million over the capital plan budget of \$255.8 million. This is due primarily to accelerating project spending from FY 2019 to FY 2018. No Board action is required at this time. Staff continues to evaluate the FY 2018 capital spend forecast and will keep the Board apprised as the fiscal year progresses.
- For any project not previously authorized by the Board in the capital plan, authority is delegated to the chief executive officer to approve any capital project with a lifetime budget not to exceed \$1.5 million according to Transmission Services Corporation Board Policy T301. One project was submitted for CEO approval this quarter. The CEO approved the Bakersfield Substation Upgrade project with a lifetime budget of \$393,000.

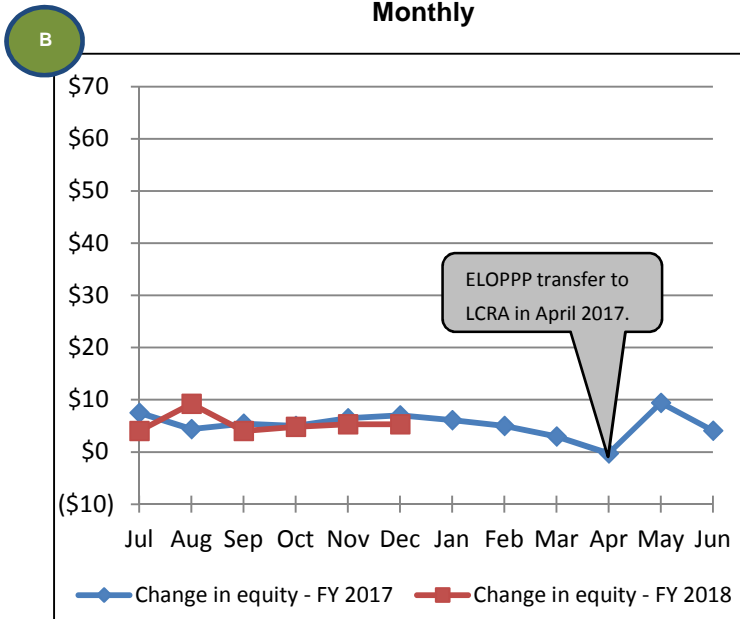
LCRA Transmission Services Corporation
Financial Statement Trends
 Dec 31, 2017
 (Dollars in Millions)

Balance Sheet Trends

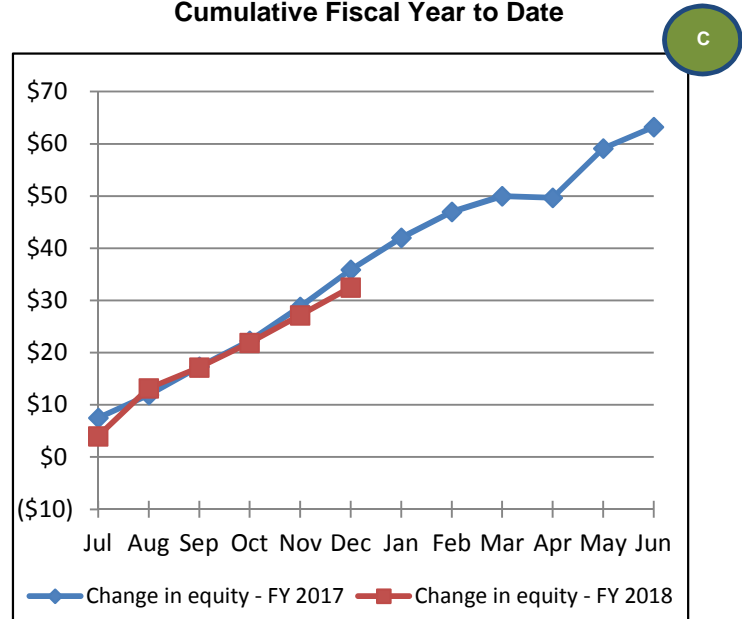


Income Statement Trends

Monthly



Cumulative Fiscal Year to Date



Key takeaways:

- Assets increased due to a \$143.2 million increase in property, plant and equipment and construction work in progress combined with a \$63.4 million increase in cash and investments compared with June 2016.
- The income statement trend remains steady from prior periods.

LCRA Transmission Services Corporation

Dec. 31, 2017

(Dollars in Millions)

Condensed Balance Sheets

	Dec. 31, 2017	Dec. 31, 2016
<i>Assets</i>		
Total current assets	\$ 214.2	\$ 272.4
Total long-term assets	2,685.1	2,490.4
Total Assets	\$ 2,899.3	\$ 2,762.8
<i>Liabilities</i>		
Total current liabilities	\$ 337.6	\$ 177.9
Total long-term liabilities	1,897.3	1,980.7
Total liabilities	2,234.9	2,158.6
<i>Equity</i>		
Total equity	664.4	604.2
Total Liabilities and Equity	\$ 2,899.3	\$ 2,762.8

Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year to Date	
	2018	2017
Operating Revenues		
Transmission	\$ 199.1	\$ 192.9
Transformation	7.0	6.7
Other	0.2	0.2
Total Operating Revenues	206.3	199.8
Operating Expenses		
Operations	66.5	58.4
Maintenance	4.6	4.0
Depreciation and amortization	34.3	33.3
Total Operating Expenses	105.4	95.7
Operating Income	100.9	104.1
Nonoperating Expenses		
Interest on debt	(44.0)	(44.5)
Other expenses	(24.4)	(23.7)
Total Nonoperating Expenses	(68.4)	(68.2)
Change in Equity	32.5	35.9
Equity - Beginning of Period	631.9	568.3
Equity - End of Period	\$ 664.4	\$ 604.2

LCRA Transmission Services Corporation

Dec. 31, 2017

(Dollars in Millions)

Condensed Statements of Cash Flows

	Fiscal Year to Date	
	2018	2017
Net cash provided by operating activities	\$ 145.6	\$ 132.5
Net cash used in noncapital financing activities	(9.6)	(9.3)
Net cash used in capital and financing activities	(77.8)	(76.7)
Net cash used in investing activities	(53.4)	(20.5)
Net Increase in Cash and Cash Equivalents	4.8	26.0
Cash and Cash Equivalents - Beginning of Period	45.7	61.7
Cash and Cash Equivalents - End of Period	<u>\$ 50.5</u>	<u>\$ 87.7</u>

LCRA Transmission Services Corporation

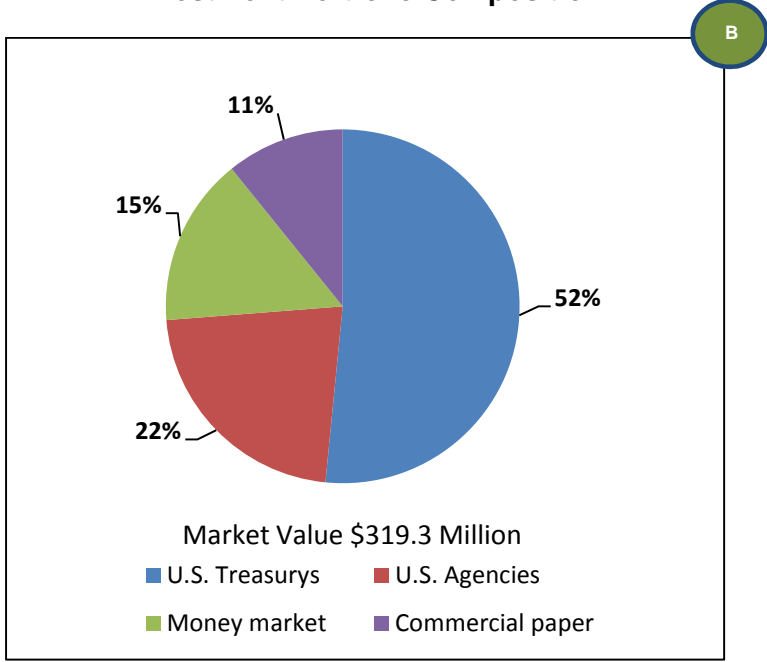
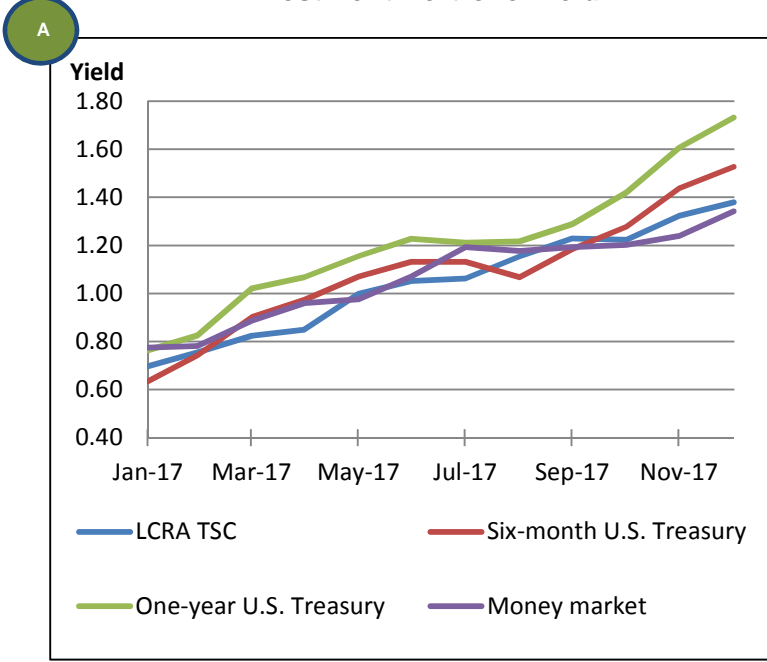
Dec. 31, 2017

(Dollars in Millions)

Investments and Debt

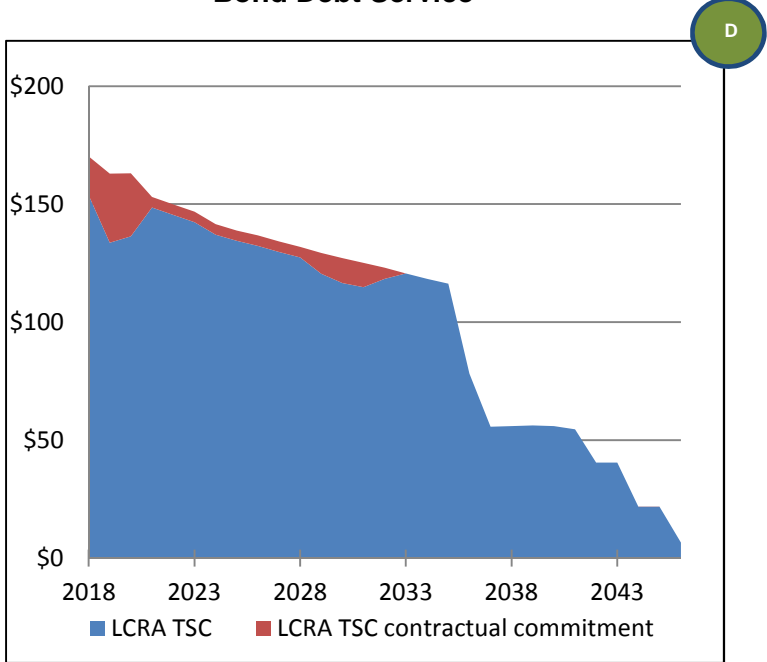
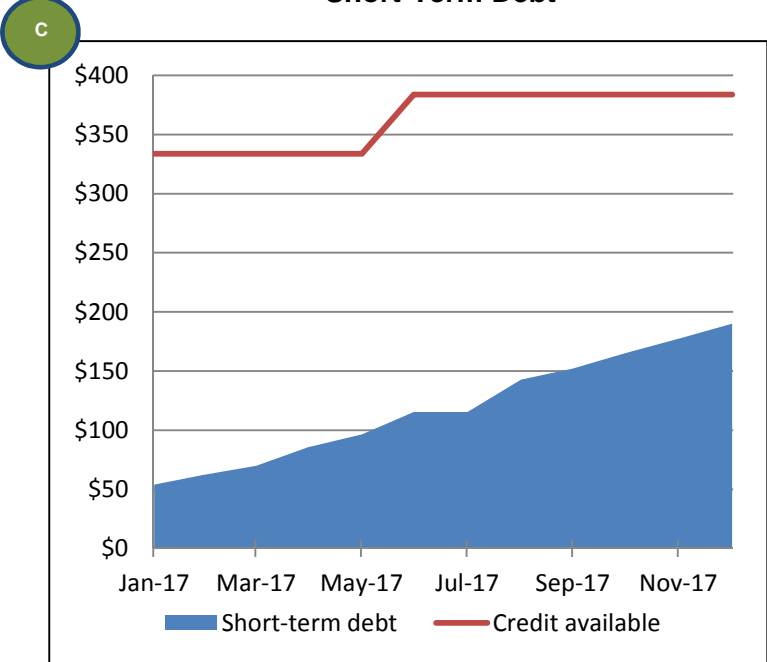
Investment Portfolio Yield

Investment Portfolio Composition



Short-Term Debt

Bond Debt Service



Key takeaway:

- The Federal Open Market Committee raised the federal funds target rate at its Dec. 13 meeting, becoming the fourth 25 basis point rate increase in 2017. The market is currently expecting, with a 30 percent probability, three additional 25 basis point hikes in calendar year 2018.

FOR ACTION (CONSENT)

2. Conveyance of an Electric Transmission Line Easement in Crockett County

Proposed Motion

Authorize the president and chief executive officer or his designee to convey an electric transmission line easement containing 0.2 acre to Santa Rita Wind Energy LLC for a 345-kilovolt overhead line and single support structure to tie into the point of interconnection on LCRA Transmission Services Corporation's Schneeman Draw Substation property in Crockett County.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of three-fourths of the LCRA TSC Board's statutory membership (12 members) before the conveyance of any interest in real property. LCRA TSC Board Policy T401 – Land Resources requires Board approval for easements across LCRA TSC land.

Budget Status and Fiscal Impact

The funding and administrative costs were included in the Board-approved budget for the Schneeman Draw Substation Addition.

Summary

As part of the Schneeman Draw Substation Addition project, LCRA TSC has constructed a new substation in Crockett County to provide 345-kilovolt transmission service to the generator, Santa Rita Wind Energy LLC. At the request of Santa Rita Wind Energy, LCRA TSC is proposing to grant to the generator an electric line easement to allow the installation and maintenance of a generator tie line structure and overhead line on LCRA TSC's Schneeman Draw Substation property. This generator-owned tie line structure and overhead line also serves as the location of the point of interconnection between the generator facilities and the new Schneeman Draw Substation.

LCRA TSC has performed environmental and cultural due diligence studies and identified no concerns.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

Conveyance of an Electric Transmission Line Easement in Crockett County

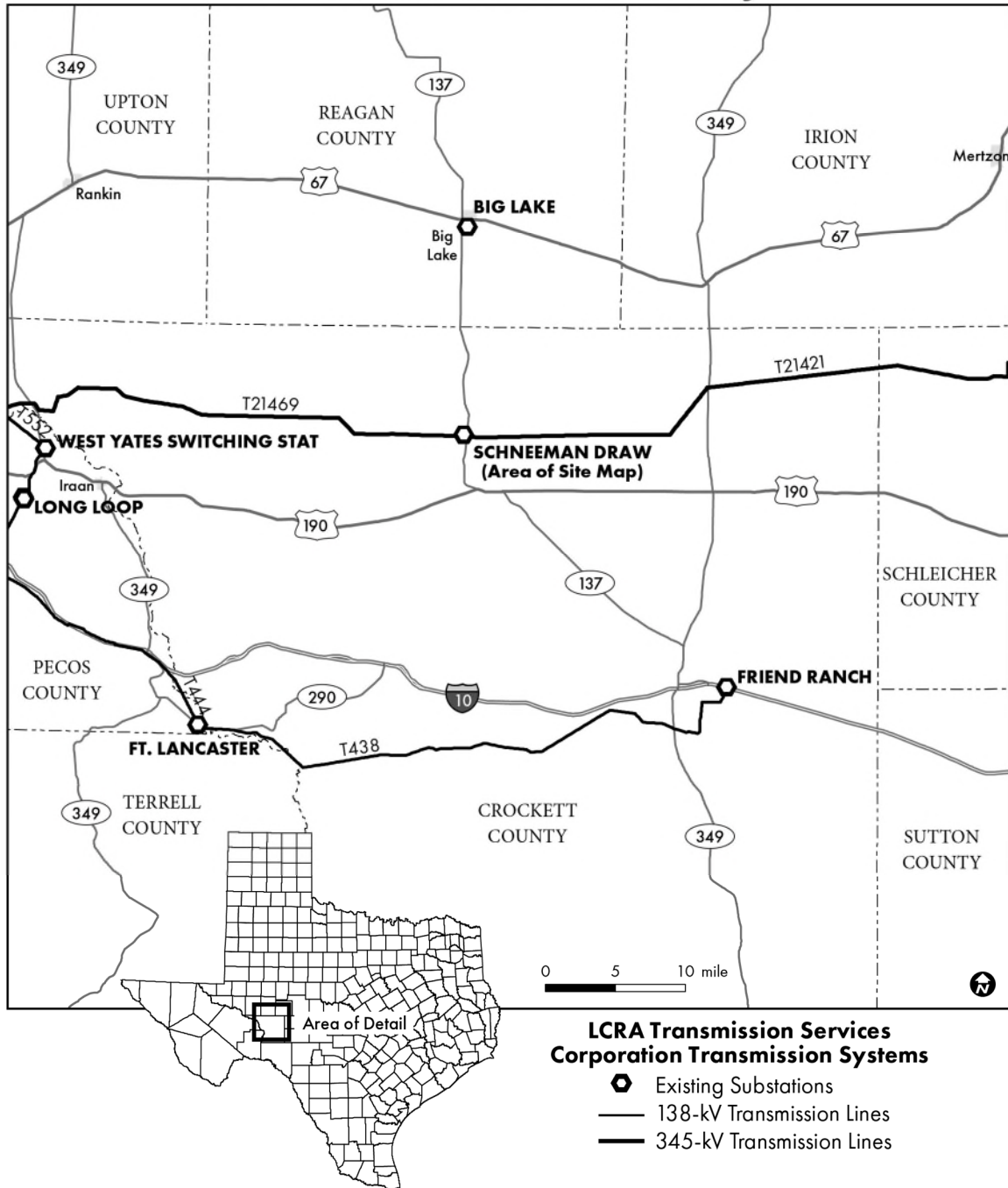


EXHIBIT B



FOR ACTION (CONSENT)

3. Minutes of Prior Meetings

Proposed Motion

Approve the minutes of the Oct. 18 and Dec. 13, 2017, meetings.

Board Consideration

Section 4.06 of the LCRA Transmission Services Corporation bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

Budget Status and Fiscal Impact

Approval of this item will have no budgetary or fiscal impact.

Summary

Staff presents the minutes of each meeting to the Board for approval.

Exhibit(s)

- A – Minutes of Oct. 18, 2017, meeting
- B – Minutes of Dec. 13, 2017, meeting

EXHIBIT A

Minutes Digest
Oct. 18, 2017

- 17-19 Approval of the minutes of the Aug. 16, 2017, meeting.
- 17-20 Approval of the Capital Improvement Project Authorization Request for the five projects in the West Texas Generator Interconnect Program, and authorization for the president and chief executive officer or his designee to negotiate and execute agreements with the generation developers to construct new facilities and modify existing ones.
- 17-21 Approval of the Capital Improvement Project Authorization Request for the Heines Substation Addition project.
- 17-22 Approval of the Capital Improvement Project Authorization Request for the Fort Mason Substation Upgrade project.
- 17-23 Approval of the Capital Improvement Project Authorization Request for the Freiheit Road Substation Upgrade project.
- 17-24 Adoption of a resolution authorizing the use of the power of eminent domain in Guadalupe County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of new easements on the Zorn-to-Marion Transmission Line Addition project.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Oct. 18, 2017

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 9:08 a.m. Wednesday, Oct. 18, 2017, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Chair Timmerman convened the meeting at 9:08 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Spears provided an invocation.

Stuart Nelson, senior vice president of Transmission Business Development, discussed Transmission employees' efforts related to Hurricane Harvey and key lessons taken away in the aftermath of the storm. Nelson described the status of LCRA TSC's storm hardening program and the value of having a robust hardening program during events such as Hurricane Harvey.

Nelson also reported that in the first quarter of fiscal year 2018, LCRA TSC met or exceeded targets set for electric system reliability.

Controller Julie Rogers presented the financial report for September 2017 [Agenda Item 1].

The Board next took action on the consent agenda.

17-19 Upon motion by Director Berger, seconded by Director Whitten, the Board unanimously approved the minutes of the Aug. 16, 2017, meeting [Consent Item 2] by a vote of 15 to 0.

17-20 Senior Vice President of Transmission Business Development Stuart Nelson presented for consideration a staff recommendation, described in Agenda Item 3 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the five projects in the West Texas Generator Interconnect Program, and authorize the president and chief executive officer or his designee to negotiate and execute agreements with the generation developers to construct new facilities and modify existing ones. Upon motion by Director Balas, seconded by Vice Chair Martine, the recommendation was unanimously approved by a vote of 15 to 0.

17-21 Senior Vice President of Transmission Business Development Stuart Nelson presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit B], that the Board approve the Capital Improvement Project Authorization Request for the Heines Substation Addition project. Upon motion by Director Spears, seconded by Director Berger, the recommendation was unanimously approved by a vote of 15 to 0.

17-22 Senior Vice President of Transmission Business Development Stuart Nelson presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve the Capital Improvement Project Authorization Request for the Fort Mason Substation Upgrade project. Upon motion by Director Berger, seconded by Director Ellison, the recommendation was unanimously approved by a vote of 15 to 0.

17-23 Senior Vice President of Transmission Business Development Stuart Nelson presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board approve the Capital Improvement Project Authorization Request for the Freiheit Road Substation Upgrade project. Upon motion by Director Kibby, seconded by Director Cooper, the recommendation was unanimously approved by a vote of 15 to 0.

17-24 Director of Real Estate Services Steven Brown presented for consideration a staff recommendation, described in Agenda Item 7 – Acquisition of Interests in Real Property – Use of Eminent Domain in Guadalupe County [attached hereto as Exhibit E]. Director Spears moved, seconded by Director Berger, that the Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of new easements on the Zorn-to-Marion Transmission Line Addition project; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 15 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:33 a.m.

Thomas E. Oney
Secretary
LCRA Transmission Services Corporation

EXHIBIT B

Minutes Digest
Dec. 13, 2017

- 17-25 Approval of the Capital Improvement Project Authorization Request for the Asphalt Mines Substation Addition project.

- 17-26 Adoption of a resolution authorizing the use of the power of eminent domain in Guadalupe County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of new easements on the Zorn-to-Marion Transmission Line Addition project.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Dec. 13, 2017

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 9:07 a.m. Wednesday, Dec. 13, 2017, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.

Absent: Martha Leigh M. Whitten

Chair Timmerman convened the meeting at 9:07 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Spears provided an invocation.

17-25 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 1 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the Asphalt Mines Substation Addition project. Upon motion by Director Berger, seconded by Director Balas, the recommendation was unanimously approved by a vote of 14 to 0.

17-26 Director of Real Estate Services Steven Brown presented for consideration a staff recommendation, described in Agenda Item 2 – Acquisition of Interests in Real Property – Use of Eminent Domain in Guadalupe County [attached hereto as Exhibit B]. Director Cooper moved, seconded by Director Russell, that the Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the

resolution for the acquisition of new easements on the Zorn-to-Marion Transmission Line Addition project; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 14 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:14 a.m.

Thomas E. Oney
Secretary
LCRA Transmission Services Corporation

FOR ACTION

4. New Capital Improvement Project Approval – Navigation Substation Addition

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Navigation Substation Addition Project.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is not included in LCRA TSC's fiscal year 2018 capital plan.
- Staff seeks approval for a total lifetime budget of \$2,235,000, including \$200,000 staff expects to spend this fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

Summary

Staff recommends the Navigation Substation Addition project in Nueces County as an addendum to the FY 2018 capital plan. The project will meet legal requirements in the Public Utility Regulatory Act and PUC rules. The rules require transmission utilities to provide transmission service, including constructing new facilities and modifying existing ones, to wholesale market participants.

In October 2017, American Electric Power requested a new point of interconnection on the LCRA TSC Citgo North Oak Park-to-Valero Cantwell 138-kilovolt line. This new LCRA TSC substation will allow AEP to serve a large industrial load. LCRA TSC's portion of this project is to acquire land rights and construct a short segment of 138-kV transmission line and the high-voltage side of the substation. AEP and its customer's project scope includes the construction of the load-serving transformation and distribution facilities. LCRA TSC will negotiate an agreement with AEP for the interconnection of facilities to LCRA TSC's transmission system.

The required project completion date is June 2019. The funds will pay for project management, regulatory activities, engineering, real estate activities, materials, construction and necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. This project does not require a Certificate of Convenience and Necessity.

Project Recap

Total Project Estimated Cost		<u>\$2,235,000</u>
Previous Project Lifetime Budget:		\$ 0
Additional Lifetime Budget Approval Sought:		<u>\$2,235,000</u>
FY 2018	\$ 200,000	
FY 2019	\$ 2,035,000	
Total:		<u>\$2,235,000</u>

Project Direction

Project Manager: Clint Meyer
Project Sponsor: Kristian M. Koellner P.E.
Project Number: 1019006

Presenter(s)

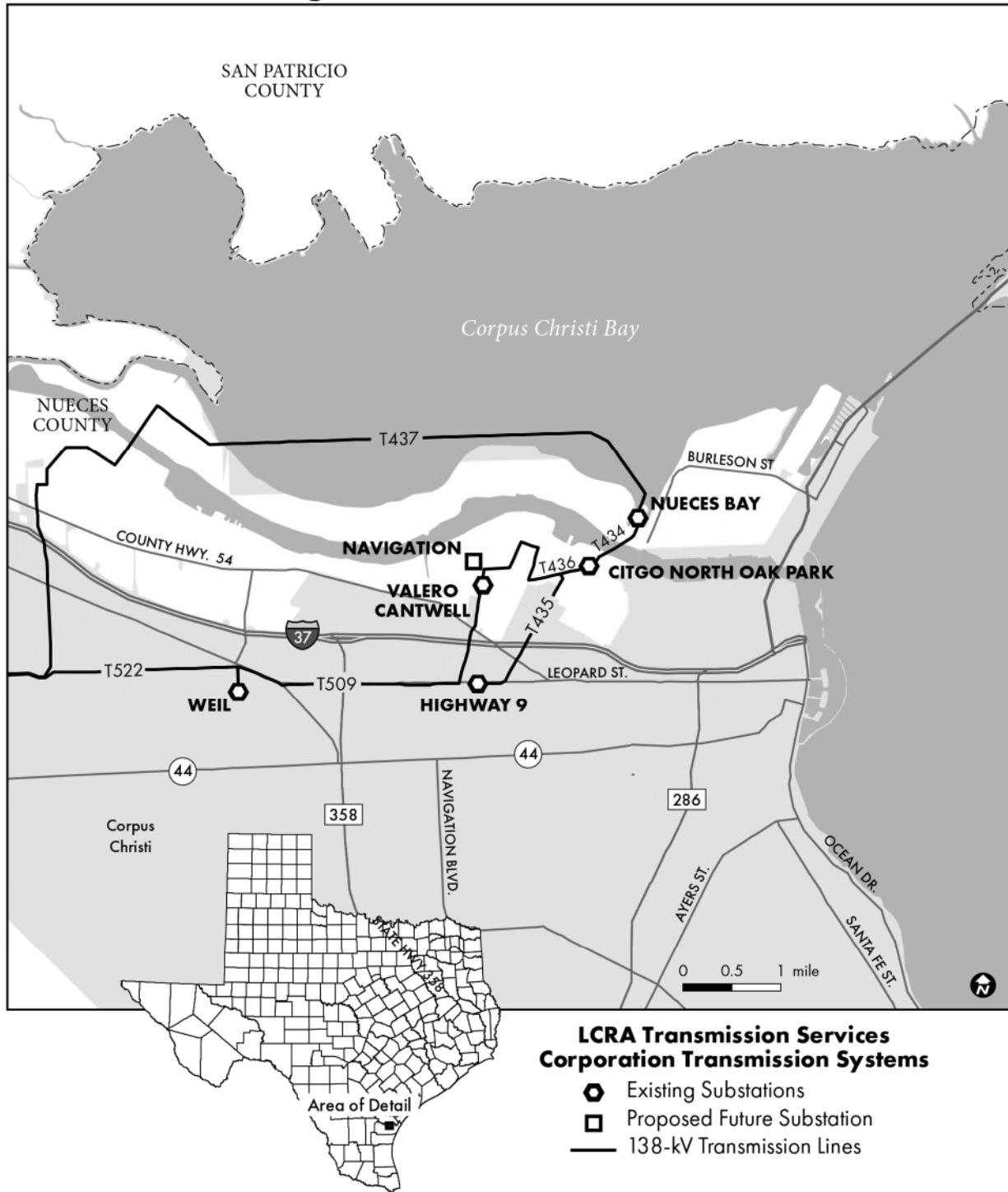
Mike Shuba
Vice President and Chief Operating Officer

Exhibit(s)

A – Location Map – Navigation Substation Addition

EXHIBIT A

Navigation Substation Addition



FOR ACTION

5. New Capital Improvement Project Approval – Pinnacle Substation Addition

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Pinnacle Substation Addition, and authorize the president and chief executive officer or his designee to negotiate and execute an agreement with the generation developer to construct new facilities and modify existing ones.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is not included in LCRA TSC's fiscal year 2018 capital plan.
- Staff seeks approval for a total lifetime budget of \$12,852,000, including \$271,000 staff expects to spend this fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.
- The generation developer will provide financial security to reimburse LCRA TSC if the project is not completed.

Summary

Staff recommends the Pinnacle Substation Addition project in Culberson County as an addendum to the FY 2018 capital plan. This project will meet legal requirements in the Public Utility Regulatory Act and PUC rules. These rules require transmission utilities to provide transmission service to wholesale market participants, including generation facilities owned by independent power producers. This requirement includes constructing new facilities and modifying existing facilities.

Through an Electric Reliability Council of Texas process, a generation developer requested an interconnection to LCRA TSC's Culberson-to-Kunitz 138-kilovolt transmission line. ERCOT assigned the project to LCRA TSC in September 2017. LCRA TSC will construct the new Pinnacle Substation to interconnect the generator and upgrade about 7 miles of existing 138-kV transmission line to provide enough capacity for the generator. LCRA TSC will negotiate an interconnect agreement with the generation developer to connect the generation facilities to the existing transmission

system, considering the assessment results may impose additional requirements to ensure the interconnection will not negatively impact reliability of transmission service.

The required project completion date is June 2019. The funds will pay for project management, engineering, materials, construction and necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. This project does not require a Certificate of Convenience and Necessity.

Project Recap

Total Project Estimated Cost		<u>\$12,852,000</u>
Previous Project Lifetime Budget:		\$ 0
Additional Lifetime Budget Approval Sought:		<u>\$12,852,000</u>
FY 2018	\$ 271,000	
FY 2019	\$12,581,000	
Total:		<u>\$12,852,000</u>

Project Direction

Project Manager: Joshua Bollich
Project Sponsor: Kristian M. Koellner P.E.
Project Number: 1019007

Presenter(s)

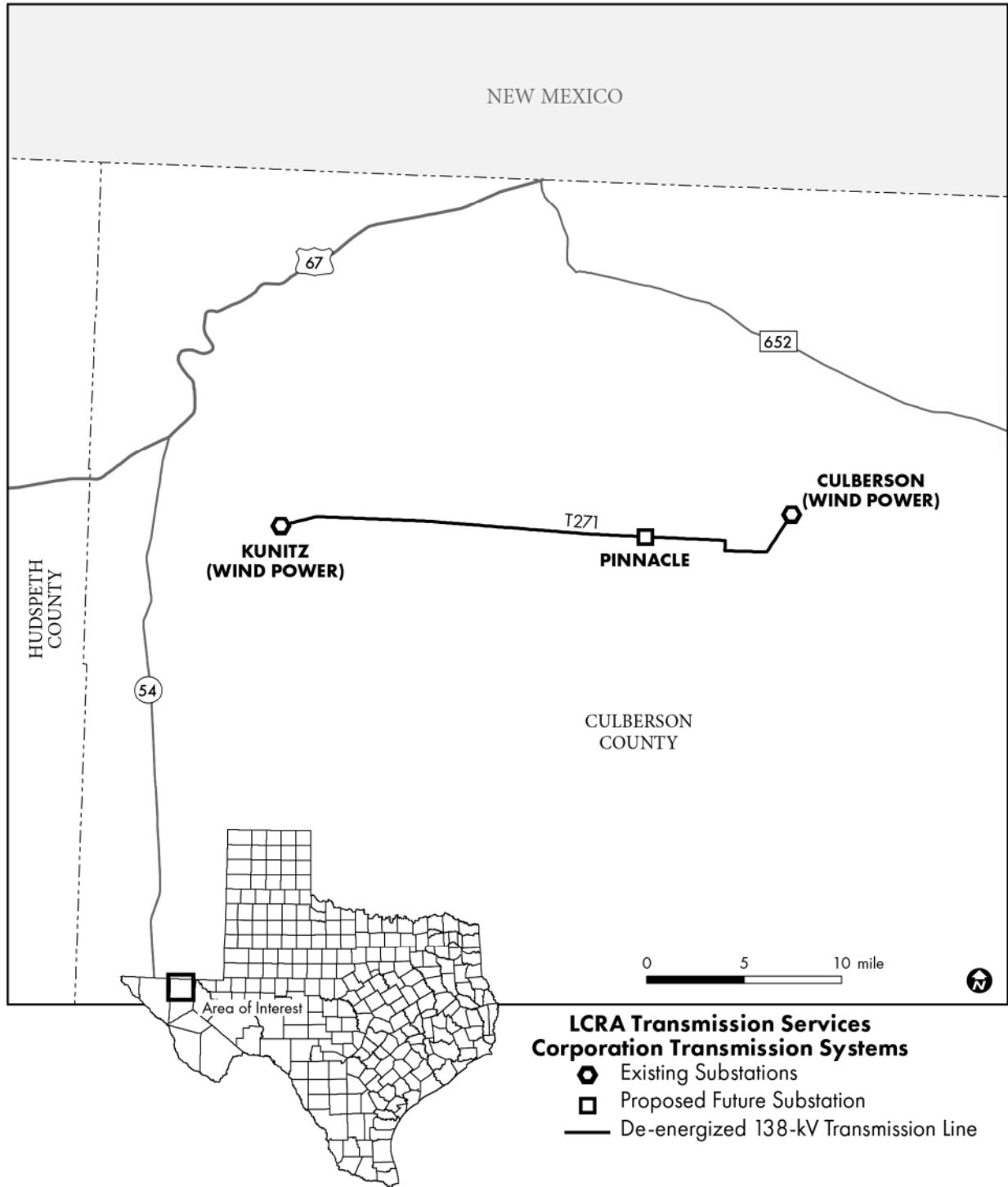
Mike Shuba
Vice President and Chief Operating Officer

Exhibit(s)

A – Location Map – Pinnacle Substation Addition

EXHIBIT A

Pinnacle Substation Addition



FOR ACTION

6. New Capital Improvement Project Approval – Roadrunner Substation Addition

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Roadrunner Substation Addition project.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is not included in LCRA TSC's fiscal year 2018 capital plan.
- Staff seeks approval for a total lifetime budget of \$5,650,000 and for \$259,000 of the project budget expected to be spent in the current fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

Summary

Staff recommends the Roadrunner Substation Addition project in Upton County as an addendum to the FY 2018 capital plan. This project is intended to meet legal requirements specified in the Public Utility Regulatory Act and the rules of the PUC. These rules require transmission utilities to provide transmission service to all wholesale market participants. This requirement includes constructing new facilities.

In October 2017, Oncor Electric Delivery requested an interconnection to the LCRA TSC Benedum-to-Midkiff 138-kilovolt transmission line to provide service to an industrial customer. The LCRA TSC portion of this project will allow a switching substation to be installed at the point of interconnection. Oncor's project scope includes the construction of two new 138-kV transmission lines that will connect to its end-user facilities. LCRA TSC will negotiate an agreement with Oncor for the interconnection of facilities to LCRA TSC's transmission system.

The required project completion date is June 2019. The funds will pay for project management, regulatory activities, engineering, real estate activities, materials, construction and necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. This project does not require a Certificate of Convenience and Necessity.

Project Recap

Total Project Estimated Cost:	<u>\$5,650,000</u>
Previous Project Lifetime Budget:	\$ 0
Lifetime Budget Approval Sought:	<u>\$5,650,000</u>
FY 2018	\$ 259,000
FY 2019	\$ 5,391,000
Total:	<u>\$5,650,000</u>

Project Direction

Project Manager: Martin Lindig
Project Sponsor: Kristian M. Koellner, P.E.
Project Number: 1019008

Presenter(s)

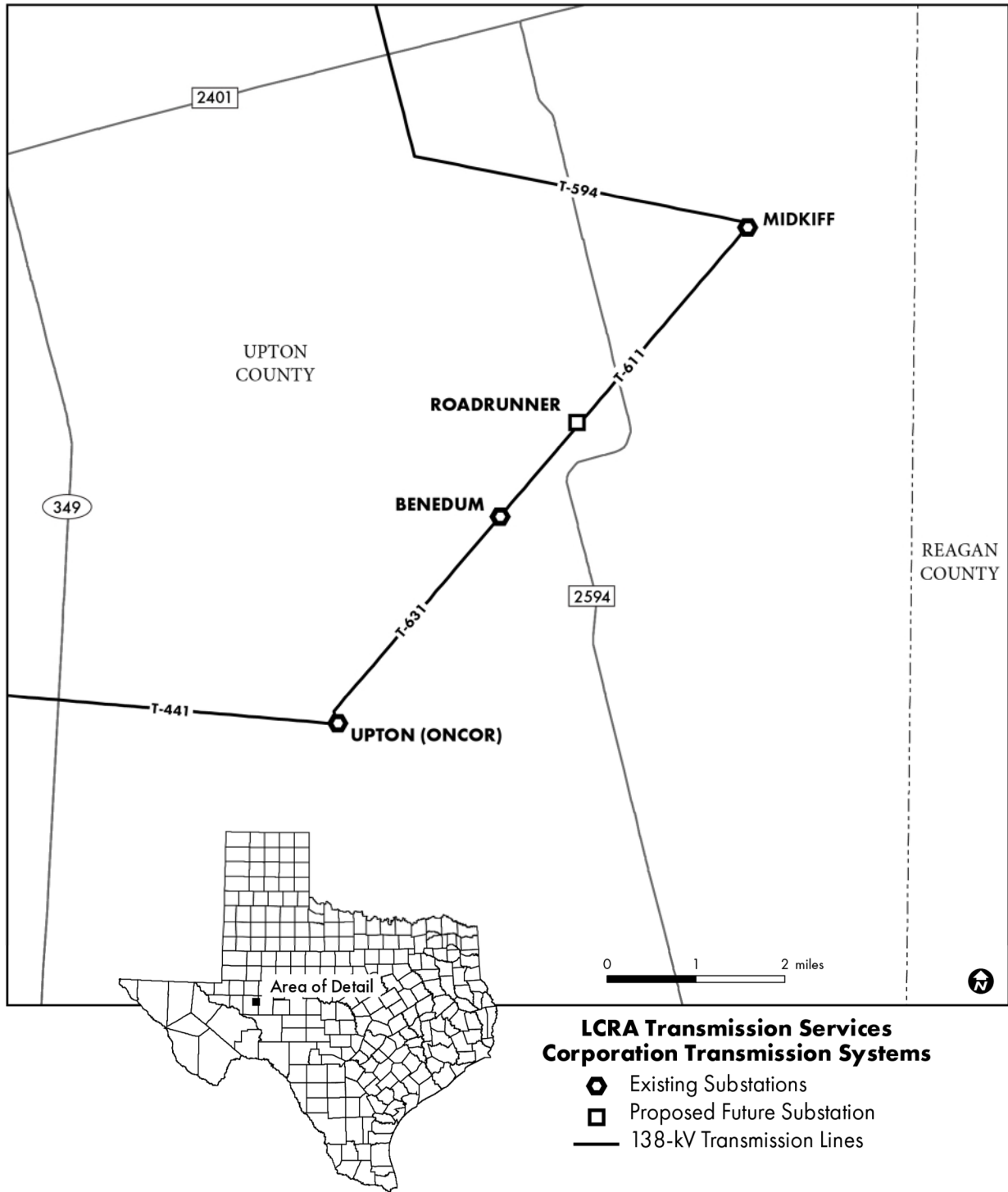
Mike Shuba
Vice President and Chief Operating Officer

Exhibit(s)

A – Location Map – Roadrunner Substation

EXHIBIT A

Roadrunner Substation Addition



FOR ACTION

7. Capital Improvement Project Approval – Hamilton Road-to-Uvalde Fiber Addition

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Hamilton Road-to-Uvalde Fiber Addition project.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is included in LCRA TSC's fiscal year 2018 capital plan. However, a revised estimate for the project's lifetime budget exceeds the 10 percent and \$300,000 thresholds approved by the Board.
- Staff seeks approval to increase the total lifetime budget from \$6,533,000 to \$10,154,000, all of which staff expects to spend this fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

Summary

The Hamilton Road-to-Uvalde Fiber Addition project was recommended as an addendum to the FY 2018 capital plan. This project was requested by American Electric Power and will increase the reliability and capability of the fiber network by adding optical grounding wire and related telecommunications equipment to the 67-mile LCRA TSC Hamilton Road-to-Uvalde 138-kilovolt transmission line.

Staff developed the budget for this project in January 2017. After completing detailed engineering design, staff determined that storm hardening improvements are necessary and additional structures are required for addressing structure integrity and clearance deficiencies. As a result of this change in scope, an additional 14 structures – for a total of 25 – are required to efficiently complete this project in a single construction activity.

The project is scheduled for completion in June 2018. Although the costs associated with this project are higher than originally estimated, a review by the Transmission Resource Planning department determined it still is the best alternative to address the electric system needs identified in the area. The funds will pay for project management, engineering, real estate activities, materials, construction and any necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence

studies and address all identified concerns. This project does not require a Certificate of Convenience and Necessity.

Project Recap

Total Project Estimated Cost	<u>\$ 10,154,000</u>
Previous Project Lifetime Budget:	\$ 6,533,000
Additional Lifetime Budget Approval Sought:	<u>\$ 3,621,000</u>
FY 2018	\$ 10,154,000
Total:	<u>\$ 10,154,000</u>

Project Direction

Project Manager: Brian Good
Project Sponsor: Kristian M. Koellner, P.E.
Project Number: 1017998

Presenter

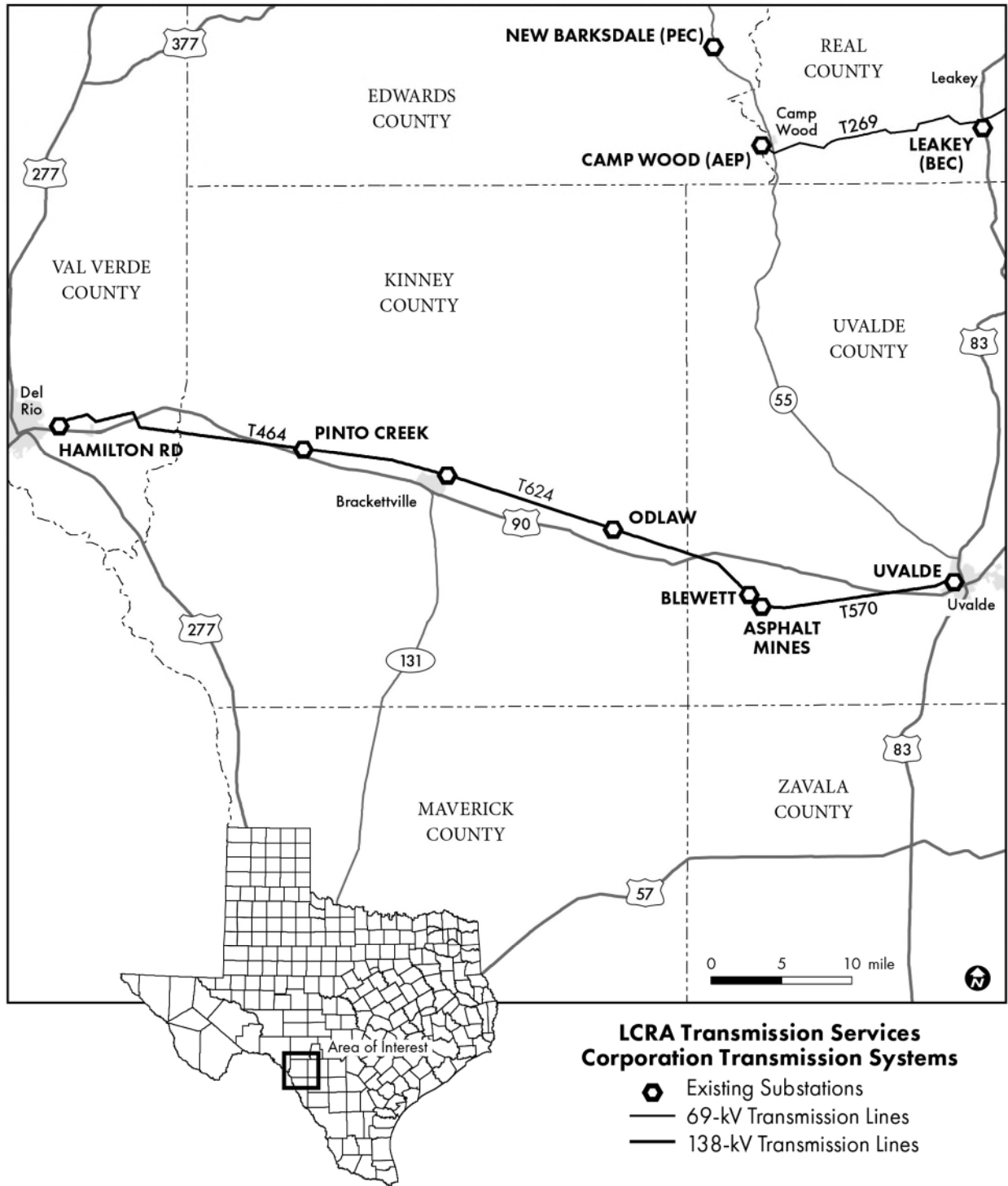
Mike Shuba
Vice President and Chief Operating Officer

Exhibit

A – Location Map – Hamilton Road-to-Uvalde Fiber Addition

EXHIBIT A

Hamilton Road-to-Uvalde Fiber Addition



FOR ACTION

8. Capital Improvement Project Approval – Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening project.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is included in LCRA TSC's fiscal year 2018 capital plan. However, a revised estimate for the project's lifetime budget exceeds the 10 percent and \$300,000 thresholds approved by the Board.
- Staff seeks approval to increase the total lifetime budget from \$5,837,000 to \$7,811,000, all of which staff expects to spend this fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

Summary

The Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening project was recommended in the FY 2018 capital plan. This project will increase the reliability and capability of transmission facilities on the Austrop-to-Sim Gideon, Bastrop City-to-Sim Gideon and Austrop-to-Bastrop City 138-kilovolt transmission lines located east of the IH-35 corridor in the 90/100 mph extreme wind loading region.

Staff developed the budget for this project in the fall of 2017 for completion of the project in FY 2019. The project completion date was accelerated from FY 2019 to FY 2018 and, after completing detailed engineering, staff determined the need for a different type of structure. Accelerating this project to FY 2018 ensures earlier increased system reliability from a storm hardening perspective between a large load center and a generation hub. The modified structures result in increased flexibility and a longer-term benefit to the electric system in the area.

The project is scheduled for completion in June 2018. Although costs associated with this project are higher than originally estimated, a review by the Transmission Resource Planning department determined it still is the best alternative to address the

electric system needs identified in the area. The funds will pay for project management, engineering, real estate activities, materials, construction and any necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. This project does not require a Certificate of Convenience and Necessity.

Project Recap

Total Project Estimated Cost:	<u>\$7,811,000</u>
Previous Project Lifetime Budget:	\$5,837,000
Additional Lifetime Budget Approval Sought:	<u>\$1,974,000</u>
FY 2018	\$7,811,000
Total:	<u>\$ 7,811,000</u>

Project Direction

Project Manager: Mary Beth Nickel
Project Sponsor: Kristian M. Koellner, P.E.
Project Number: 1017338

Presenter(s)

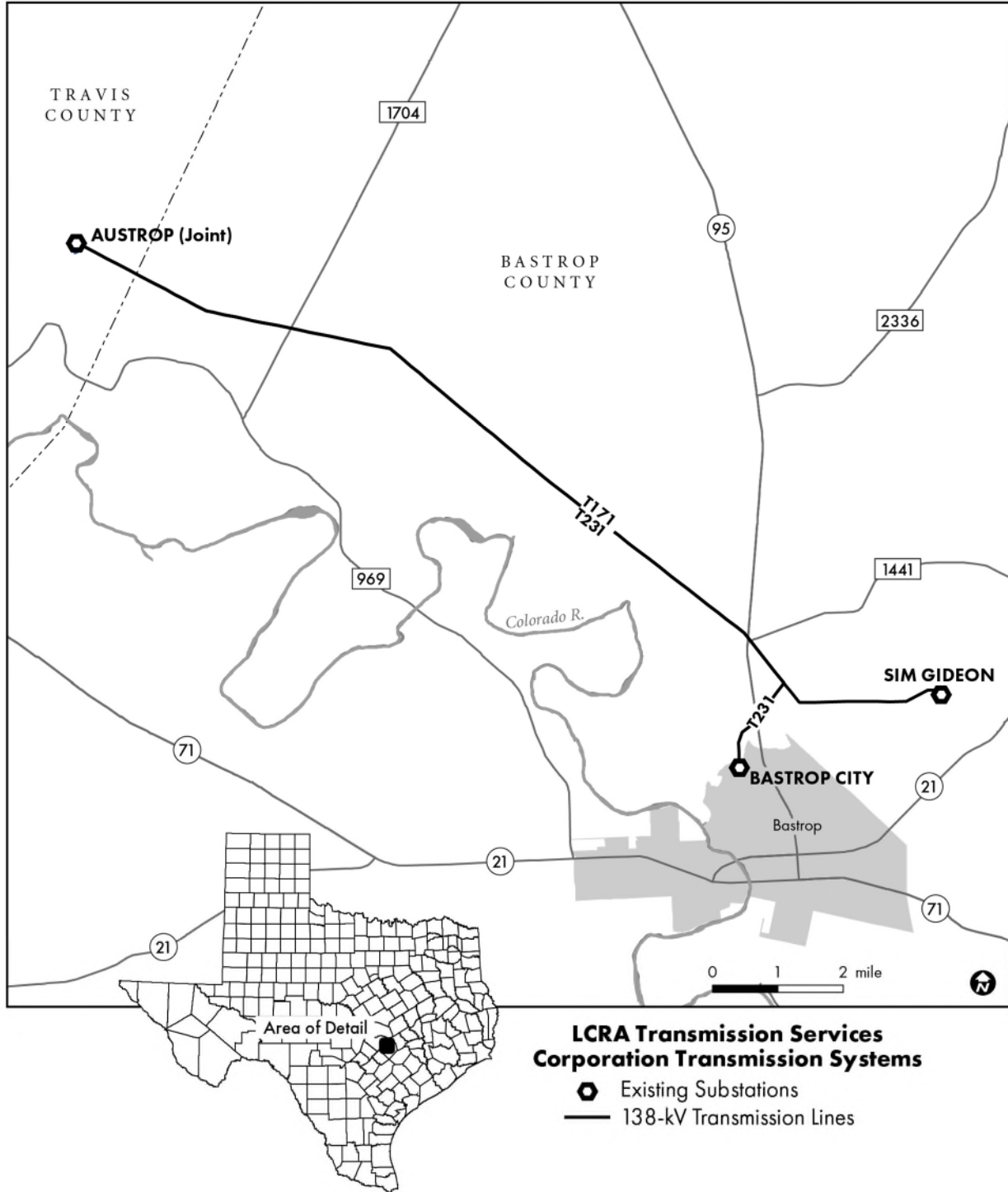
Mike Shuba
Vice President and Chief Operating Officer

Exhibit

A – Location Map – Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening

EXHIBIT A

Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening



FOR ACTION

9. Capital Improvement Project Approval – Bergheim Substation Upgrade

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Bergheim Substation Upgrade project.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is included in LCRA TSC's fiscal year 2018 capital plan. However, a revised estimate for the project's lifetime budget exceeds the 10 percent and \$300,000 thresholds approved by the Board.
- Staff seeks approval to increase the total lifetime budget from \$11,320,000 to \$15,233,000, including \$13,636,000 staff expects to spend this fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

Summary

The Bergheim Substation Upgrade project was recommended in the FY 2017 capital plan. This project will install an autotransformer at Bergheim Substation to improve transmission system reliability in the area.

Staff developed the budget for this project in the fall of 2015. The project's original cost estimate did not anticipate the location of a water pipeline on the property, which required additional acreage and triggered the Texas Commission on Environmental Quality Edwards Aquifer Contributing Zone requirements. The relocation of Pedernales Electric Cooperative's distribution facilities and the transportation costs of the LCRA TSC-owned autotransformer from Kendall Substation to Bergheim Substation also contributed to this increase.

The project is scheduled for completion in June 2018. Although the costs associated with this project are higher than originally estimated, a review by the Transmission Resource Planning department determined it still is the best alternative to address the electric system needs identified in the area. LCRA representatives performed environmental and cultural due diligence studies and addressed all identified concerns. A Certificate of Convenience and Necessity is not required for this project.

Project Recap

Total Project Estimated Cost:	<u>\$15,233,000</u>
Previous Project Lifetime Budget:	\$11,320,000
Additional Lifetime Budget Approval Sought:	<u>\$3,913,000</u>
Prior to FY 2018	\$1,597,000
FY 2018	\$13,636,000
Total:	<u>\$ 15,233,000</u>

Project Direction

Project Manager: Mary Beth Nickel
Project Sponsor: Kristian M. Koellner, P.E.
Project Number: 1016178

Presenter

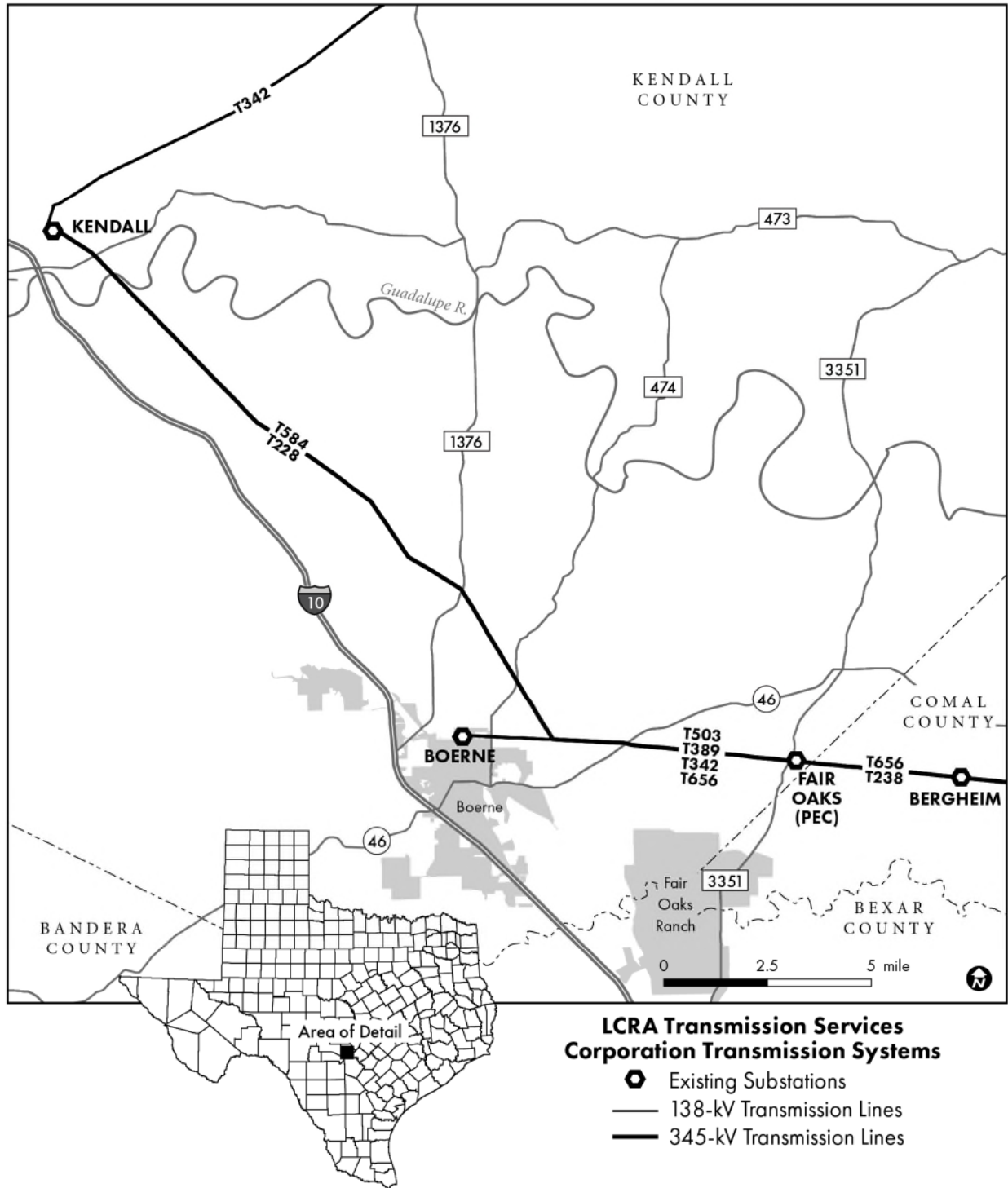
Mike Shuba
Vice President and Chief Operating Officer

Exhibit

A – Location Map – Bergheim Substation Upgrade

EXHIBIT A

Bergheim Substation Upgrade



FOR ACTION

10. Capital Improvement Project Approval – Fayetteville-to-FPP Transmission Line Overhaul

Proposed Motion

Approve the Capital Improvement Project Authorization Request for the Fayetteville-to-FPP Transmission Line Overhaul project.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

Budget Status and Fiscal Impact

- The project is included in LCRA TSC's fiscal year 2018 capital plan. However, a revised estimate for the project's lifetime budget exceeds the 10 percent and \$300,000 thresholds approved by the Board.
- Staff seeks approval to increase the total lifetime budget from \$5,523,000 to \$6,919,000, all of which staff expects to spend this fiscal year.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the existing FY 2018 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

Summary

The Fayetteville-to-FPP Transmission Line Overhaul Project was recommended in the FY 2018 capital plan. The Fayetteville-to-FPP transmission line is part of the 138-kilovolt transmission infrastructure that supports load in DeWitt, Gonzales, Lavaca and Karnes counties south of the Interstate Highway 10 corridor. This transmission line is located within a 100-mph National Electric Safety Code Extreme Wind Loading region. The key scope elements for this project consist of addressing line-to-ground clearances, adding fiber and providing storm hardening improvements.

Staff developed the budget for this project in the fall of 2016. After completing detailed engineering in December 2017, staff determined the cost for completing the project is \$1,396,000 higher than the initial estimate. These additional costs address the current site conditions and associated design updates as well as refined costs for wire installation and structure removals.

The project is scheduled for completion in May 2018. Although the costs associated with this project are higher than originally estimated, a review by the Transmission Resource Planning department determined it still is the best alternative to address the

electric system needs identified in the area. The funds will pay for project management, engineering, real estate activities, materials, construction and any necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. This project does not require a Certificate of Convenience and Necessity.

Project Recap

Total Project Estimated Cost	<u>\$ 6,919,000</u>
Previous Project Lifetime Budget:	\$ 5,523,000
Additional Lifetime Budget Approval Sought:	<u>\$ 1,396,000</u>
FY 2018 \$ 6,919,000	
Total:	<u>\$ 6,919,000</u>

Project Direction

Project Manager: Armando Perez
Project Sponsor: Cris Urena
Project Number: 1016108

Presenter

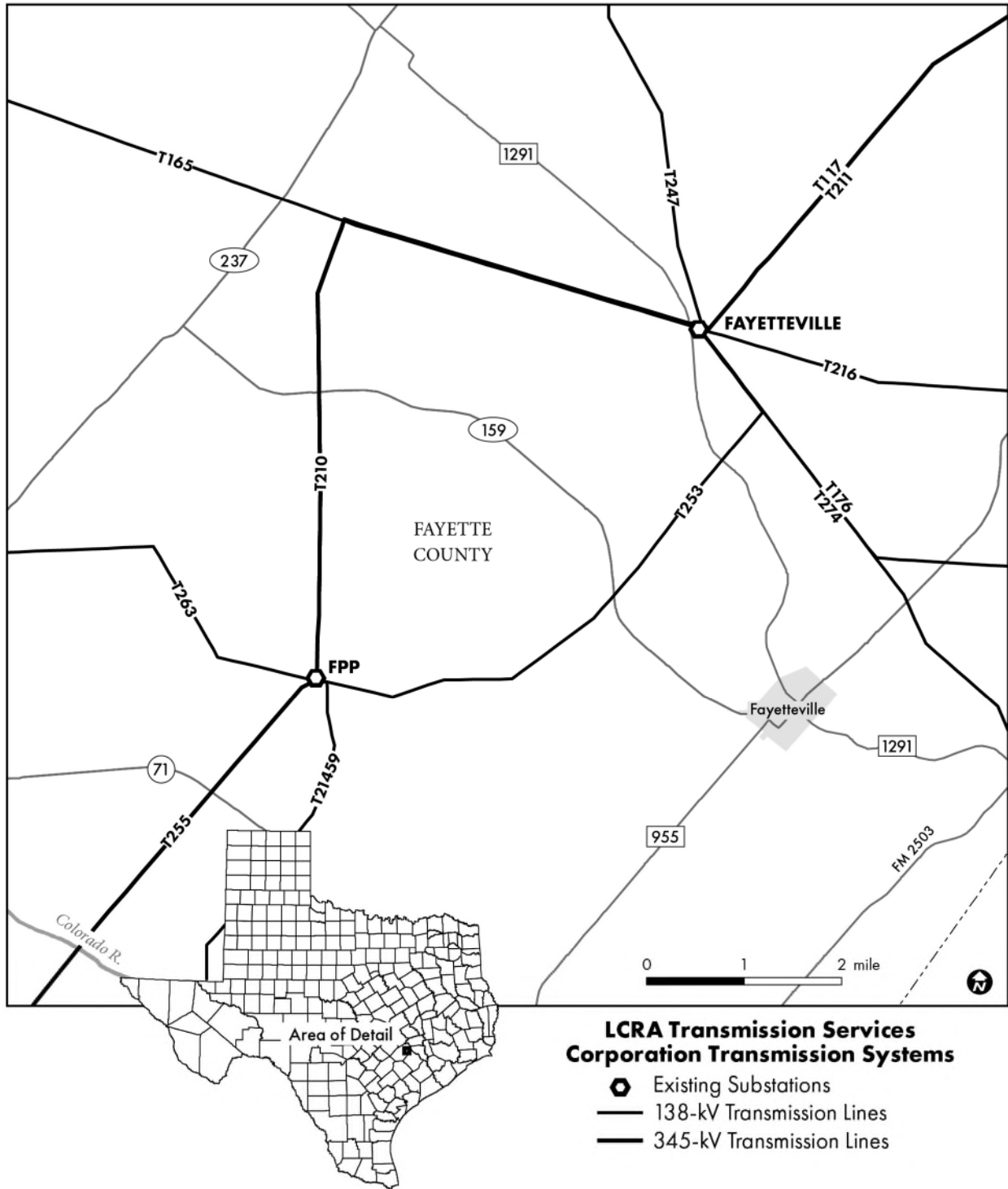
Mike Shuba
Vice President and Chief Operating Officer

Exhibit

A – Location Map – Fayetteville-to-FPP Transmission Line Overhaul Project

EXHIBIT A

Fayetteville-to-FPP Transmission Line Overhaul



FOR ACTION

11. Acquisition of Interests in Real Property – Use of Eminent Domain in Travis County

Proposed Motion

I move that the Board of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the Colton Circuit Breaker Addition project; and that the first record vote applies to all units of property to be condemned.

Board Consideration

LCRA Transmission Services Corporation Board Policy T401 – Land Resources and Section 2206.053 of the Texas Government Code require Board authorization prior to the initiation of eminent domain proceedings.

Section 2206.053 of the Texas Government Code provides that if two or more Board members object to adopting a single resolution for all units, a separate record vote must be taken for each unit of property. If two or more units of real property are owned by the same person, those units may be treated as one unit of property.

Budget Status and Fiscal Impact

The funding and administrative costs were included in the Board-approved budget for the Colton Circuit Breaker Addition project.

Summary

LCRA TSC proposes to acquire 0.98 acre for an expansion of the Colton Substation located in Travis County for the Colton Circuit Breaker Addition project.

Staff has made an initial offer to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Sec. 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation in the event agreement cannot be reached with the landowners.

Staff has provided to the Board, under separate cover, a description of the specific property to be acquired and will attach it to the resolution.

LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. Staff requests the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

Presenter(s)

Steven Brown
Director, Real Estate Services

Exhibit(s)

A – Vicinity Map

B – Site Map

C – Landowner List

D – Resolution

1 – Description of Specific Property

EXHIBIT A

**Acquisition of Interests in Real Property
Use of Eminent Domain in Travis County**

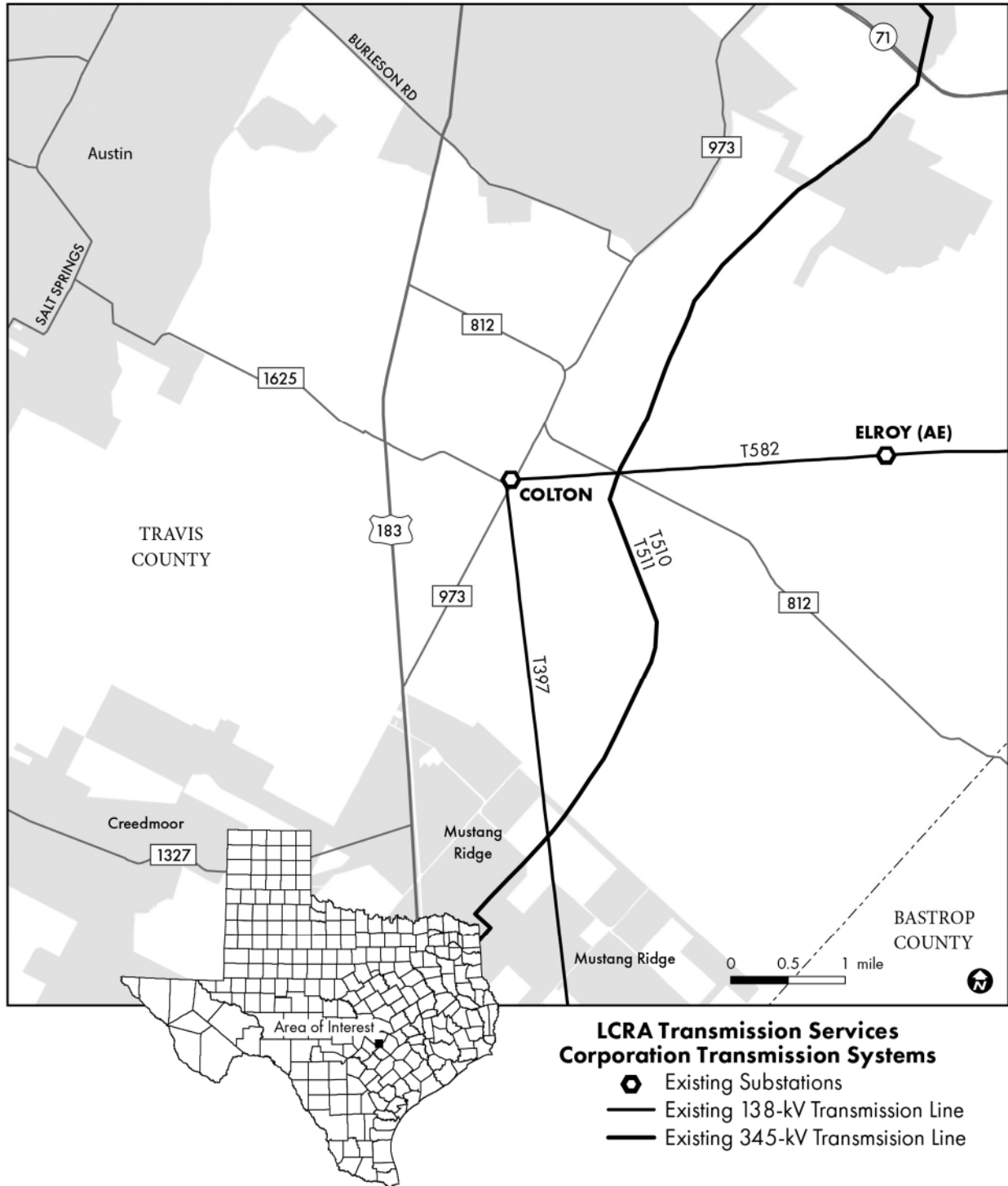


EXHIBIT B



EXHIBIT C

	Landowners	Approximate Parent Tract Acreage	Land Rights	Approximate Acquisition Acreage	County	Approximate Value
1	Jose and Catalina Lopez and Mayra Lopez	9.92 ac. and 7.53 ac.	Fee simple (purchase)	0.98 ac.	Travis	\$12,877.20

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE COLTON CIRCUIT BREAKER ADDITION PROJECT; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.

**RESOLUTION
AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY BY
CONDEMNATION IN TRAVIS COUNTY, FEE SIMPLE PURCHASE.**

WHEREAS, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of an electric substation site in Travis County; and

WHEREAS, an independent, professional appraisal of the subject property will be submitted to the LCRA Transmission Services Corporation, and an amount will be established to be just compensation for the interests in real property to be acquired;

NOW, THEREFORE, BE IT RESOLVED that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowners listed in the attached exhibits B and C for the construction of the Colton Circuit Breaker Addition project, with the description of the location of and interest in the property that LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and LCRA Transmission Services Corporation will be unable to reach an agreement on the fair market value of the subject interests in real property and that it should appear that further negotiations for settlement with the landowner(s) would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to

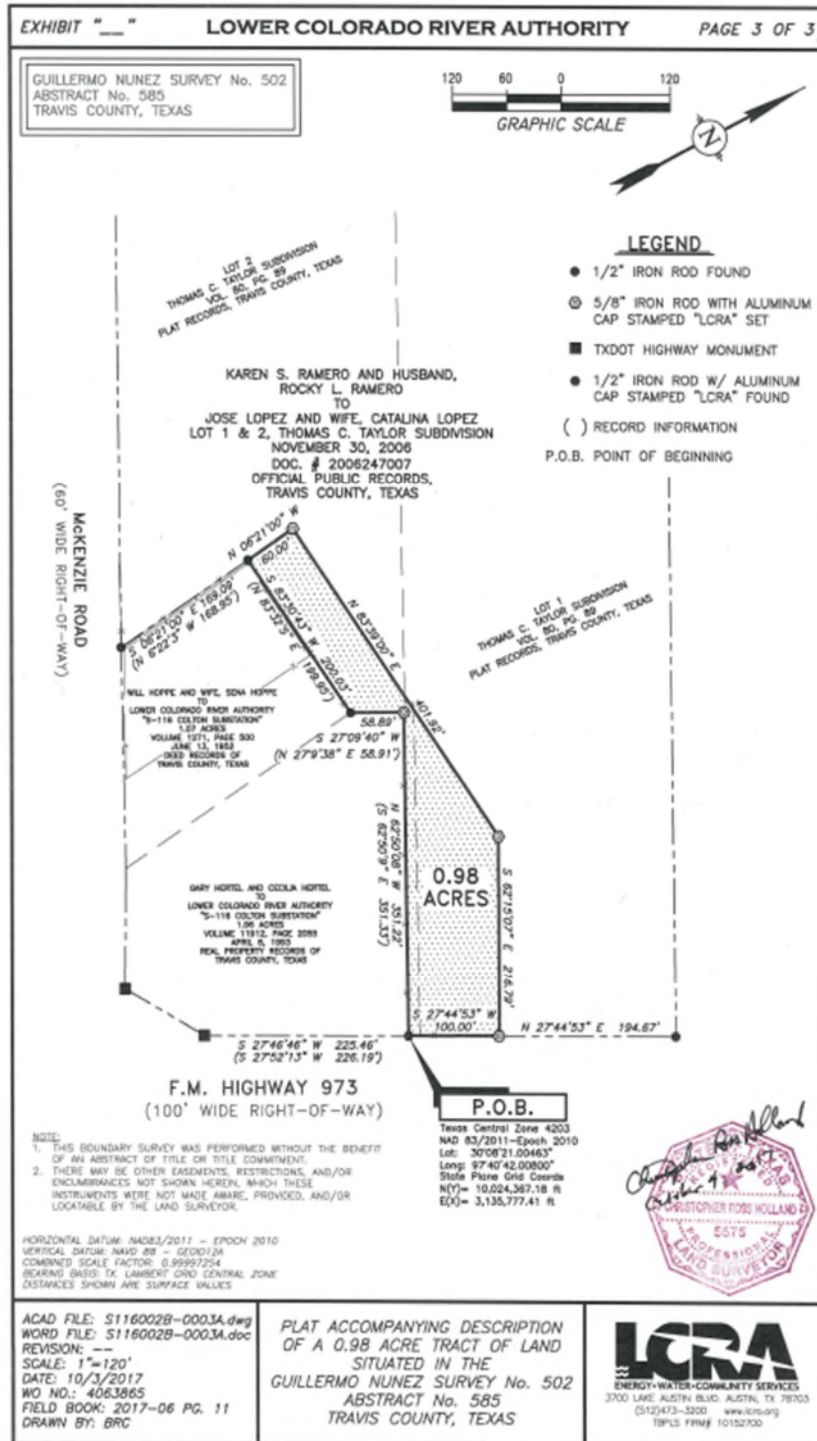
EXHIBIT D

Page 2 of 2

acquire the necessary interests in real property, and that this resolution take effect immediately from and after its passage;

BE IT FURTHER RESOLVED that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interest in real property that are proper and convenient for the operation of the substation site.

EXHIBIT 1



FOR ACTION

12. Approve LCRA’s Twenty-Fifth Supplemental Resolution to the LCRA Transmission Contract Revenue Financing Program regarding the LCRA Transmission Services Corporation Commercial Paper Program Tax-Exempt Series and Authorize Related Agreements

Proposed Motion

Staff recommends the Board request and approve the adoption by LCRA of the Twenty-Fifth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the renewal of the \$150 million Transmission Services Tax-Exempt Commercial Paper Program (Tax-Exempt Series CP) credit facility, and authorizing the chief executive officer or his designee to negotiate and execute certain related agreements, including the amendments to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association; and State Street Bank and Trust Company (the Amended and Restated Reimbursement Agreement), setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC (the Letter of Credit) in the amount of \$150 million.

Board Consideration

The Twenty-Fifth Supplemental Resolution, which approves the extension of the credit facility for the Tax-Exempt Series CP and authorizes the supporting amendments to the Amended and Restated Reimbursement Agreement (and the related Letter of Credit), requires Board authorization. The three-year extension of the credit facility complies with the covenants of the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program and Board Policy T301 – Finance. Section 8503.004(p) of the Texas Special District Local Laws Code (LCRA Act) authorizes the Board to issue debt under certain conditions.

Budget Status and Fiscal Impact

Staff anticipates the proposed agreements will allow LCRA to issue commercial paper on behalf of LCRA TSC to finance the construction of facilities and delay the issuance of long-term bonds, which have higher interest rates in the current market. As a result, staff anticipates LCRA TSC will experience lower debt service costs until long-term bonds are issued.

Summary

Staff recommends the Board request, consent and approve the adoption of the Twenty-Fifth Supplemental Resolution and the negotiation and execution of the related amendments to the Amended and Restated Reimbursement Agreement and Letter of Credit. The amount of the banks' commitment will be reduced from current level of \$200 million down to \$150 million. The Board also is authorizing the chief executive officer or his designee to negotiate and execute all necessary documents.

Background. In March 2003, the LCRA Board, on behalf of LCRA TSC, adopted the Fourth Supplemental Resolution, which authorized the issuance of the commercial paper notes in an amount of principal and interest not to exceed \$150 million and a Reimbursement Agreement and Letter of Credit to secure such commercial paper. In April 2012, the Fourth Supplemental Resolution was amended to allow an increase in the program up to \$200 million. Over the years the credit facility has been amended several times, in different amounts and with different banks participating. JPMorgan Chase Bank is the acting agent under the Reimbursement Agreement.

The Twenty-Fifth Supplemental Resolution extends this commercial paper notes program at a reduced commitment of \$150 million for three years to spring of 2021, to give LCRA TSC capacity in its short-term debt facility, delaying long-term financing of outstanding commercial paper notes, and also authorizes certain related agreements. LCRA, LCRA TSC and the banks are proposing the amendments to the Amended and Restated Reimbursement Agreement supporting the commercial paper notes that will reflect the current terms of the agreement, and to specify the current bank group, market pricing and amount of the credit facility. The extended agreement will be in the amount of \$150 million, with JPMorgan Chase Bank and State Street Bank and Trust each having a \$75 million commitment. The Board is authorizing the chief executive officer or his designee to negotiate and execute such an amendment.

LCRA issues the commercial paper notes on behalf of LCRA TSC to reimburse for eligible expenses, and maintains a level of short-term debt until such time as market conditions are favorable for refunding that short-term debt with long-term bonds. Merrill Lynch, Pierce, Fenner & Smith Incorporated is the LCRA dealer for the commercial paper program. The Bank of New York Mellon Trust Company is the paying agent for the notes.

Presenter(s)

Richard Williams
Treasurer and Chief Financial Officer

Jim Travis
LCRA Treasurer