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[Texas' Record \\$3.5 Billion Muni Deal to Sell After Two-Year Saga.](#)

- **Bonds will help utilities recoup costs from 2021 winter storm**
- **Debt has rare call option, may be redeemed in months**

A Texas agency is poised to issue the largest-ever municipal-bond deal in the Lone Star State, a historic \$3.5 billion transaction designed to bail out natural gas utilities that incurred billions of dollars of unexpected costs during a deadly winter storm two years ago.

The Texas Natural Gas Securitization Finance Corp. plans to price the taxable municipal bonds on March 8 and 9. They'll be paid for by adjustable charges on the bills of customers of the nine utilities.

The deal has characteristics that could give some investors pause. For one thing, it has a provision allowing the bonds to be called if lawmakers decide to tap the state's bounty of extra cash to pay off the obligations early. Then there's the sheer size — the biggest since at least 2020 for a taxable muni, according to data compiled by Bloomberg. That heft may require higher yields to clear a volatile market.

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Bloomberg Markets

By Danielle Moran and Scott Carpenter

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