



Lubbock Power & Light

November 4, 2009

Dear Lubbock Power and Light Electric Customer,

Thank you for being a Lubbock Power and Light (LP&L) electric customer. As citizens serving voluntarily on a board leading LP&L we wanted to tell you that we appreciate you allowing LP&L to serve your electricity needs for over 90 years. We also wanted to tell you about how LP&L and Xcel Energy have made an agreement that will benefit Lubbock, this great city we call home.

Since 1942, Lubbock has been served by both LP&L and Xcel Energy resulting in duplication of services, lines, poles and substations. Both companies believe this has been an inefficient way to provide electricity to Lubbock. **This week LP&L and Xcel Energy announced a mutually beneficial agreement that will allow LP&L to acquire Xcel's retail electric customers and purchase their distribution system in Lubbock.** Mayor Tom Martin said "It's natural for LP&L to pick-up the Xcel retail electric service, since the City of Lubbock already provides utility service to all the properties in Lubbock."

Your electric rates will not increase as a result of this purchase. LP&L will be funding the purchase of Xcel's Lubbock distribution system through electric service revenue bonds, not with an electric rate increase.

You will continue to have some of the lowest electric rates in Texas as a result of this agreement. Since Xcel can generate electricity cheaper than just about any other electric company in Texas, they will continue to generate electricity and sell it to LP&L at a wholesale price. Additionally, LP&L will still generate electricity with our power plants and sell it when more electricity is needed in the region.

The LP&L board is made up of volunteers who serve to operate LP&L and even though we have a lot of diversity and experience on the board, we sought assistance from three of the largest consulting firms in the country before entering the agreement. RBC Capital Markets assisted us with financial matters, R.W. Beck assisted with operational matters and Vinson & Elkins assisted with legal matters.

We want you to know that this will not be an immediate change and both companies have pledged to do everything we can do to make the transition as smooth as possible. Again thank you for being an LP&L electric customer. This new agreement will benefit Lubbock and it could not have happened without you. For more information please call 806-775-2509 or visit www.lpandl.com.

Sincerely,

The LP&L Electric Utility Board