

**CITY OF LUBBOCK, TX
FINANCE DEPARTMENT
CONTINUING DISCLOSURE REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2010**

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2010 Market Valuation Established by Lubbock Central Appraisal District

Less Exemptions/Reductions at 100% Market Value:		\$ 13,022,497,984
Residential Homestead Exemptions	\$ 220,216,049	
Homestead Cap Adjustment	28,013,898	
Disabled Persons	15,315,659	
Disabled Veterans	41,638,757	
Prorated Exempt Property	4,337,171	
Agricultural/Open-Space Land Use Reductions	79,329,898	
Pollution Exemptions	1,892,509	
Lease Vehicles Exempt	12,865,896	
House Bill 366	245,102	
Energy	14,826,600	
Freeport Exemptions	62,797,018	
Tax Abatement Reductions	60,476,409	
Mixed Use Vehicle	1,743,784	
Low Income Housing	3,341,429	
Market Value Reduction for Protested Properties	<u>187,097,107</u>	<u>734,137,286</u>
2010 Taxable Assessed Valuation		\$ 12,288,360,698
City Funded Debt Payable from Ad Valorem Taxes:		
General Obligation Debt (as of 3/01/11) ⁽¹⁾⁽³⁾	\$ 834,955,000	
Less: Refunded Obligations ⁽²⁾	(16,475,000)	
Plus: The 2011 New Money Bonds ⁽²⁾	14,135,000	
Plus: The 2011 Refunding Bonds ⁽²⁾	16,320,000	
Plus: The 2011 Certificates ⁽²⁾	<u>112,230,000</u>	
Total Funded Debt Payable from Ad Valorem Taxes		\$ 961,165,000
Less: Self Supporting Debt (as of 3/01/11) ⁽³⁾		
Waterworks System General Obligation Debt	\$ 351,288,307	
Sewer System General Obligation Debt	136,724,836	
Solid Waste Disposal System General Obligation Debt	18,701,891	
Drainage Utility System General Obligation Debt	118,590,991	
Tax Increment Financing General Obligation Debt	35,936,957	
Electric Light and Power System General Obligation Debt	65,279,505	
Cemetery General Obligation Debt	588,436	
Gateway General Obligation Debt	99,188,180	
Hotel Occupancy Tax Debt	1,061,961	
Auditorium/Coliseum General Obligation Debt	6,302,606	
Airport General Obligation Debt	<u>14,708,739</u>	<u>848,372,409</u>
General Purpose Funded Debt Payable from Ad Valorem Taxes ⁽²⁾		\$ 112,792,591
Audited General Obligation Interest and Sinking Fund as of September 30, 2010		\$ 1,684,253
Ratio Total Funded Debt to Taxable Assessed Valuation		7.82%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		0.92%
2011 Estimated Population ⁽⁴⁾		229,573
Per Capita Taxable Assessed Valuation	\$	53,527
Per Capita Total Funded Debt Payable from Ad Valorem Taxes		4,187
Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes		491

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- (1) The statement of indebtedness does not include the City's outstanding Electric Light and Power System Revenue Bonds, payable solely from the Net Revenues of the City's Electric Light and Power System.
- (2) The City sold its General Obligation Bonds, Series 2011 (the "2011 Bonds") and its General Obligation Refunding Bonds, Series 2011 (the "2011 Refunding Bonds") and its Tax and Waterworks System Surplus Revenue Certificates of Obligation, Series 2011 (The "2011 Certificates" and collectively with the 2011 New Money Bonds and the 2011 Refunding Bonds, the "Obligations") on March 16, 2011 with closing expected on April 12, 2011. The City's outstanding bond that were refunded through the 2011 Refunding Bonds are herein referred to as the "Refunded Bonds").
- (3) Includes the 2011 Certificates. As a matter of policy, the City provides debt service on general obligation debt issued to fund improvements to its Waterworks System, Sewer System Solid Waste System, Tax Increment Finance Reinvestment Zone, Gateway Streets, Airport, Cemetery, Electric Light and Power System and Drainage System from surplus revenues of these Systems (see "Table 8A – General Obligation Debt Service Requirements," "Table 9 - Division of General Obligation Debt Service Requirements," "Table 8B - Interest and Sinking Fund Budget Projection" and "Table 10 - Computation of Self-Supporting Debt").
- The City's Waterworks System General Obligation Debt has been issued to finance or refinance Waterworks System improvements, and is being paid, or is expected to be paid, from Waterworks System revenues. The City has no outstanding Waterworks System Revenue Bonds but has obligated revenues of the Waterworks System under water supply contracts.
- The City's Sewer System General Obligation Debt has been issued to finance Sewer System improvements, and that is being paid, or is expected to be paid, from Sewer System revenues. The City has no outstanding Sewer System Revenue Bonds.
- The City's Solid Waste Disposal System General Obligation Debt has been issued for Solid Waste System improvements, and is being paid, or is expected to be paid, from revenues derived from Solid Waste service fees. The City has no outstanding Solid Waste Disposal System Revenue Bonds.
- The City's Drainage Utility System General Obligation Debt has been issued for Drainage System improvements, and is being paid, or is expected to be paid, from revenues derived from Drainage Utility System fees. The City has no outstanding Drainage Utility System Revenue Bonds.
- The City's Tax Increment Financing General Obligation Debt has been issued to finance or refinance construction of improvements in the North Overton TIF, and is being paid or is expected to be paid, from revenues derived from the Pledged Tax Increment Revenues. The City has no outstanding Tax Increment Financing Revenue Bonds. In FY 2011, the City anticipates that tax increment revenues will not be adequate to cover debt requirements on the existing Tax Increment Certificates of Obligation. In the instance that tax increment revenues are not sufficient to pay debt service, the City intends to make an interfund loan to cover the debt service and, if the projected development in the North Overton TIF proceeds as expected, repay such loan from revenues received in future years. There could be years in which the TIF may not produce revenues in amounts sufficient to cover all debt issued for it, at least until the TIF has reached full build-out status. If revenues are insufficient and no interfund loan is made, the City is obligated to pay such obligations from ad valorem taxes.
- The City's Electric Light and Power System General Obligation Debt has been issued to finance or refinance Electric Light and Power System improvements, and being paid or is expected to be paid, from revenues derived from the Electric Light and Power System. The City has \$78,335,000 of outstanding Electric Light and Power System Revenue Bonds payable from a pledge of system revenues.
- The City's Cemetery General Obligation Debt has been issued to finance or refinance Cemetery improvements, and is being paid, or is expected to be paid, from revenues derived from the Cemetery. The City has no outstanding Cemetery Revenue Bonds.
- The City's Gateway General Obligation Debt has been issued to finance or refinance Gateway Streets improvements, and is being paid, or is expected to be paid from franchise fees. The City has no outstanding Gateway Fund Revenue Bonds.
- The City's Hotel Occupancy Tax General Obligation Debt has been issued to finance tourism projects and is being paid, or is expected to be paid, from hotel occupancy taxes. The City has no Hotel Occupancy Tax Bonds.
- The City's Auditorium/Coliseum General Obligation Debt has been issued to finance or refinance Auditorium/Coliseum improvements and is being paid, or is expected to be paid, from revenues derived from the Auditorium/Coliseum. The City has no outstanding Auditorium/Coliseum Revenue Bonds.
- The City's Airport General Obligation Debt has been issued to finance or refinance Airport improvements, and is being paid, or is expected to be paid from revenues derived from the Airport. The City has no outstanding Airport Revenue Bonds.
- (4) U.S. Census Bureau

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TABLE 2 - TAXABLE ASSESSED VALUATION BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2011		2010		2009	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 7,165,857,674	55.03	6,947,946,941	54.42	6,687,368,655	54.61
Real, Residential, Multi-Family	989,766,593	7.60	997,043,862	7.81	922,530,900	7.53
Real, Vacant Lots/Tracts	174,666,981	1.34	189,296,951	1.48	201,167,097	1.64
Real, Acreage (Land Only)	101,272,811	0.78	104,927,547	0.82	106,628,878	0.87
Real, Farm and Ranch Improvements	13,212,130	0.10	13,502,162	0.11	11,977,889	0.10
Real, Commercial and Industrial	2,735,738,473	21.01	2,686,373,355	21.04	2,476,922,746	20.23
Real, Oil, Gas and Other Mineral Reserves	43,067,370	0.33	32,632,310	0.26	39,976,390	0.33
Real and Tangible Personal, Utilities	177,400,625	1.36	168,123,979	1.32	173,239,955	1.41
Tangible Personal, Business	1,511,990,690	11.61	1,502,932,704	11.77	1,494,921,128	12.21
Tangible Personal, Other	10,231,156	0.08	10,943,476	0.09	11,981,462	0.10
Real Property, Inventory	41,182,129	0.32	43,022,634	0.34	43,435,213	0.35
Special Inventory	58,111,352	0.45	69,422,082	0.54	76,063,260	0.62
Other/Adjustments	-	-	21,102	0.00	216,600	0.00
Total Appraised Value Before Exemptions	13,022,497,984	100.00	12,766,189,105	100.00	12,246,430,173	100.00
Less: Total Exemptions/Reductions	(734,137,286)		(763,572,925)		(573,356,041)	
Taxable Assessed Value	<u>\$ 12,288,360,698</u>		<u>12,002,616,180</u>		<u>11,673,074,132</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30					
	2008		2007		2006	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 6,321,729,050	48.54	5,889,918,195	55.53	5,517,769,306	55.55
Real, Residential, Multi-Family	931,507,661	7.15	873,394,391	8.23	795,689,400	8.01
Real, Vacant Lots/Tracts	202,703,022	1.56	186,939,508	1.76	166,089,379	1.67
Real, Acreage (Land Only)	103,474,361	0.79	104,443,417	0.98	80,067,791	0.81
Real, Farm and Ranch Improvements	10,948,790	0.08	10,601,986	0.10	11,038,895	0.11
Real, Commercial and Industrial	2,246,869,059	17.25	1,968,271,689	18.56	1,827,901,763	18.40
Real, Oil, Gas and Other Mineral Reserves	26,864,150	0.21	28,446,050	0.27	17,526,510	0.18
Real and Tangible Personal, Utilities	181,023,472	1.39	179,562,657	1.69	177,838,907	1.79
Tangible Personal, Business	1,340,911,089	10.30	1,245,600,988	11.74	1,228,428,632	12.37
Tangible Personal, Other	13,018,766	0.10	13,940,265	0.13	14,527,171	0.15
Real Property, Inventory	41,291,828	0.32	37,577,657	0.35	26,685,491	0.27
Special Inventory	72,685,000	0.56	68,621,321	0.65	67,329,545	0.68
Other/Adjustments	(115,001)	(0.00)	220,192	0.00	1,499,616	0.02
Total Appraised Value Before Exemptions	11,492,911,247	88.25	10,607,538,316	100.00	9,932,392,406	100.00
Less: Total Exemptions/Reductions	(595,700,684)		(604,812,679)		(585,778,455)	
Taxable Assessed Value	<u>\$ 10,897,210,563</u>		<u>10,002,725,637</u>		<u>9,346,613,951</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Lubbock Central Appraisal District to the City for purposes of establishing and levying the City's annual ad valorem tax rate and to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

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TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 30-Sep	Estimated City Population ^(a)	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	General Purpose Funded Tax Debt ^(b)	Ratio Tax Debt to Assessed Valuation ^(b)	Funded Debt Per Capita	Tax Year
2005	209,120	\$ 8,634,994,862	\$ 41,292	\$ 80,210,269	0.93%	\$ 384	2004
2006	211,187	9,346,613,951	44,258	87,231,945	0.93%	413	2005
2007	212,365	10,002,725,637	47,102	92,487,363	0.92%	436	2006
2008	214,847	10,897,210,563	50,721	101,185,953	0.93%	471	2007
2009	218,327	11,673,074,132	53,466	106,303,936	0.91%	487	2008
2010	219,643	12,002,616,180	54,646	108,479,132	0.90%	494	2009
2011	229,573	12,288,360,698	53,527	112,792,591 ^(c)	0.92% ^(c)	491 ^(c)	2010

^(a) Source: The City.

^(b) Does not include self-supported debt.

^(c) Includes the Obligations. Excludes the Refunded Bonds.

TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT

The following table sets forth certain information with respect to the City's general purpose and self-supporting general obligation debt.

Fiscal Year Ended 30-Sep	Funded Tax Debt Outstanding at End of Year	Less: Self-Supporting Funded Tax Debt	General Purpose Funded Tax Debt Outstanding at End of Year
2007	\$ 512,250,000	\$ 419,762,637	\$ 92,487,363
2008	633,065,000	531,879,047	101,185,953
2009	683,305,000	577,001,064	106,303,936
2010	837,410,000	728,930,868	108,479,132
2011 ^(a)	961,165,000	848,372,409	112,792,591

^(a) Includes the Obligations. Excludes the Refunded Obligations.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year End 09/30	Tax Rate Distribution			Tax Rate	Tax Levy	Percent Collected		Tax Year
	General Fund	Economic Development	Interest and Sinking Fund			Current	Total	
2006	\$ 0.35626	\$ 0.03000	\$ 0.06094	\$ 0.44720	\$ 41,968,431	98.15%	99.71%	2005
2007	0.36074	0.03000	0.07125	0.46199	46,068,744	98.12%	99.02%	2006
2008	0.35380	0.03000	0.07125	0.45505	49,195,247	98.41%	99.62%	2007
2009	0.32540	0.03000	0.09100	0.44640	51,616,589	97.78%	98.87%	2008
2010	0.33240	0.03000	0.08400	0.44640	53,455,322	98.19%	99.38%	2009
2011	0.33240	0.03000	0.09377	0.45617	55,783,339	93.60% ^(a)	94.20% ^(a)	2010

^(a) Partial collections as of January 31, 2011.

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TABLE 5 - TEN LARGEST TAXPAYERS

<u>Name</u>	<u>2010 Taxable Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Macerich Lubbock Ltd.	\$ 126,012,908	1.03
United Supermarkets OFC	57,270,781	0.47
Southwestern Bell Telephone	50,680,387	0.41
PYCO Industries, Inc.	48,275,640	0.39
Southwestern Public Services Co.	45,240,148	0.37
1859 Management Partners	41,413,068	0.34
Wal-Mart Real Estate Business Trust	39,429,338	0.32
Atmos Energy West Texas Division	38,853,520	0.32
TYCO Fire Products	30,780,090	0.25
TTUC, LLC	30,105,912	0.24
	\$ 508,061,792	4.13

TABLE 6 - TAX ADEQUACY ^(a)

Average Annual Debt Service Requirements All General Obligation Debt (2011-2034):	\$ 60,899,682
\$0.5007 per \$100 AV against the 2010 Taxable AV, at 99% collection, produces	60,912,544
Maximum Annual Debt Service Requirements All General Obligation Debt (2012):	95,397,015
\$0.7842 per \$100 AV against the 2010 Taxable AV, at 99% collection, produces	95,401,671

^(a) Includes the Obligations and self-supported debt. Excludes the Refunded Bonds.

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TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	Gross Debt (As of 3/15/11)	Estimated % Overlapping	Overlapping Debt
Frenship ISD	\$ 166,518,801	77.32%	\$ 128,752,337
Idalou ISD	15,185,000	4.05%	614,993
Lubbock County	69,715,000	83.18%	57,988,937
Lubbock ISD	102,960,714	99.68%	102,631,240
Lubbock-Cooper ISD	46,509,554	63.45%	29,510,312
New Deal ISD	-	23.12%	-
Roosevelt ISD	11,545,000	4.13%	476,809
Estimated Overlapping Debt			\$ 319,974,627
The City	961,165,000 ^(a)	100.00%	961,165,000 ^(a)
Total Direct & Estimated Overlapping Debt			\$ 1,281,139,627
As a % of 2010 Taxable Assessed Valuation			10.43%
Per Capita Total Direct & Estimated Overlapping Debt			\$ 5,581

^(a) Includes the Obligations. Excludes the Refunded Bonds. Excludes Self-Supported Debt.

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TABLE 8A - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

FYE 30-Sep	Outstanding Debt ^{(a)(b)(c)}		
	Principal	Interest	Total
2011	\$ 43,455,000	43,190,992	86,645,992
2012	50,210,000	45,187,015	95,397,015
2013	53,975,000	40,639,518	94,614,518
2014	55,090,000	38,320,808	93,410,808
2015	54,315,000	35,993,586	90,308,586
2016	54,685,000	33,650,934	88,335,934
2017	56,090,000	31,306,798	87,396,798
2018	57,940,000	28,843,075	86,783,075
2019	57,150,000	26,260,688	83,410,688
2020	54,975,000	23,790,445	78,765,445
2021	53,475,000	21,323,008	74,798,008
2022	49,485,000	18,904,421	68,389,421
2023	50,170,000	16,542,429	66,712,429
2024	49,865,000	14,143,317	64,008,317
2025	50,470,000	11,721,694	62,191,694
2026	48,355,000	9,280,135	57,635,135
2027	44,075,000	6,991,334	51,066,334
2028	40,235,000	4,915,853	45,150,853
2029	31,165,000	3,160,058	34,325,058
2030	28,520,000	1,686,128	30,206,128
2031	14,035,000	646,180	14,681,180
2032	2,195,000	260,438	2,455,438
2033	2,290,000	159,525	2,449,525
2034	2,400,000	54,000	2,454,000
Total	\$ 1,004,620,000	456,972,377	1,461,592,377

Average Annual Debt Service Requirements All General Obligation Debt (2011-2034): \$ 60,899,682 ^(c)
Maximum Annual Debt Service Requirements All General Obligation Debt (2012): 95,397,015 ^(c)

^(a) Does not include lease/purchase obligations.

^(b) Outstanding debt service is reduced to reflect the expected subsidy payments from the federal government equal to 35% of the interest payments on the City's Series 2010B Bonds (BABs) and Series 2010B Certificates (BABs).

^(c) Includes the Obligations.

TABLE 8B - INTEREST AND SINKING FUND BUDGET PROJECTION

General Purpose General Obligation Debt Service Requirements, September 30, 2011	\$ 11,553,568 ^(a)
Fiscal Agent Fees	15,000
Interest and Sinking Fund, September 30, 2010	\$ 1,684,253
Interest and Sinking Fund Tax Levy @ 99.0%	10,876,216
Estimated Interest Earnings	1,225,187
	<hr/>
Projected Balance, September 30, 2011	\$ 2,217,087

^(a) Includes the Obligations. Excludes the Refunded Bonds. Excludes self-supporting debt.

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TABLE 9 - DIVISION OF GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

FYE 30-Sep	Waterworks System Debt Service	Sewer System Debt Service	Solid Waste Disposal System Debt Service	Drainage Utility System Debt Service	Tax Increment Financing Debt Service	Electric Light & Power System Debt Service	Cemetery Debt Service	Gateway Debt Service	HOT Debt Service	Airport Debt Service	Auditorium/ Coliseum Debt Service	General Purpose Debt Service	Less: Refunded Bonds	Plus: Refunding Bonds	Total G.O. Debt Service
2011	\$ 30,766,070	11,408,935	1,345,070	9,853,412	3,316,545	7,305,312	55,224	7,974,872	97,274	2,408,627	563,230	11,553,568	194,161	192,012	86,645,992
2012	32,663,754	14,760,678	1,857,055	11,162,987	3,415,247	7,220,748	55,213	8,427,839	97,248	3,003,007	530,044	12,301,453	719,345	621,088	95,397,015
2013	32,542,235	14,428,697	1,823,903	11,128,300	3,411,174	7,150,467	55,234	8,400,943	97,323	2,975,017	530,859	12,170,423	719,345	619,288	94,614,518
2014	32,581,389	14,262,925	1,807,905	11,122,803	3,412,157	7,072,187	55,217	8,405,713	97,280	2,066,095	529,258	12,100,886	4,542,195	4,439,188	93,410,808
2015	32,415,832	12,421,320	1,791,786	11,127,132	3,411,099	6,995,610	55,227	8,402,042	97,328	1,929,842	528,538	11,231,678	4,547,086	4,448,238	90,308,586
2016	32,426,517	11,630,594	1,811,129	11,155,048	3,411,914	6,913,266	55,223	8,398,969	97,248	1,036,900	527,642	10,972,170	2,974,173	2,873,488	88,335,934
2017	32,446,505	11,591,471	1,788,307	11,179,087	3,417,236	6,812,249	55,206	8,400,534	97,248	1,039,742	530,666	10,138,565	1,297,506	1,197,488	87,396,798
2018	32,256,968	11,326,844	1,775,947	11,189,210	3,411,149	6,747,910	55,204	8,401,087	97,317	1,037,894	527,633	10,057,544	1,295,144	1,193,513	86,783,075
2019	31,770,482	11,285,551	1,585,288	10,105,597	3,412,700	5,202,006	55,217	8,390,306	97,290	1,035,879	524,586	10,044,005	1,299,181	1,200,963	83,410,688
2020	28,918,042	10,561,032	1,578,478	9,047,725	3,414,122	5,202,890	55,222	8,381,825	97,242	1,038,239	522,741	10,046,941	1,304,834	1,205,781	78,765,445
2021	26,793,449	10,433,426	1,570,982	7,976,406	3,406,060	5,201,242	55,210	8,378,899	97,327	1,039,291	517,941	9,427,695	1,301,444	1,201,525	74,798,008
2022	22,992,752	10,333,164	1,436,042	6,927,073	3,403,487	5,204,860	55,238	8,368,584	97,339	457,856	514,388	8,701,327	128,125	25,438	68,389,421
2023	22,373,273	10,002,378	1,438,455	6,918,875	3,404,455	5,196,294	55,204	8,361,773	97,258	457,849	509,881	7,896,735	-	-	66,712,429
2024	22,275,928	9,998,072	1,435,385	6,893,273	3,400,091	3,539,008	55,202	8,351,553	97,289	457,317	505,248	6,999,951	-	-	64,008,317
2025	21,432,943	9,949,046	1,163,508	6,894,720	3,109,598	3,546,144	55,207	8,337,407	97,308	457,137	499,682	6,648,994	-	-	62,191,694
2026	21,024,259	9,366,635	1,162,572	6,896,883	2,393,954	3,060,935	55,212	7,185,702	97,305	232,352	495,634	5,663,691	-	-	57,635,135
2027	19,575,050	8,192,387	798,179	6,248,602	1,883,059	2,573,221	15,689	6,953,240	97,270	32,797	490,648	4,206,192	-	-	51,066,334
2028	18,016,499	7,972,701	690,268	5,784,518	510,599	1,516,721	-	6,938,234	-	-	483,726	3,237,587	-	-	45,150,853
2029	14,940,257	3,579,893	587,333	5,220,831	351,978	995,733	-	5,306,428	-	-	475,725	2,866,881	-	-	34,325,058
2030	14,393,801	3,575,217	551,402	5,072,330	271,708	442,914	-	2,882,856	-	-	430,175	2,585,726	-	-	30,206,128
2031	2,295,683	3,342,371	504,061	4,961,791	111,910	-	-	2,202,060	-	-	-	1,263,305	-	-	14,681,180
2032	-	-	-	2,455,438	-	-	-	-	-	-	-	-	-	-	2,455,438
2033	-	-	-	2,449,525	-	-	-	-	-	-	-	-	-	-	2,449,525
2034	-	-	-	2,454,000	-	-	-	-	-	-	-	-	-	-	2,454,000
	\$ 524,901,686	210,423,338	28,503,056	184,225,566	56,280,242	97,899,718	899,149	156,850,866	1,653,891	20,705,842	10,238,243	170,115,315	20,322,539	19,218,006	1,461,592,377

^(a) Includes the Obligations.

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TABLE 10 - SELF-SUPPORTED DEBT

THE WATERWORKS FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 37,211,555
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11	-
Balance Available for Other Purposes	37,211,555
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11	30,766,070
Percentage of Fund General Obligation Debt Self-Supporting	100.00%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Waterworks Fund general obligation debt to a segregated account in the Waterworks Fund.

THE SEWER FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 15,688,911
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11	-
Balance Available for Other Purposes	15,688,911
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11	11,408,935
Percentage of Fund General Obligation Debt Self-Supporting	100.00%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Sewer Fund general obligation debt to a segregated account in the Sewer Fund.

THE SOLID WASTE FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 5,471,556
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11	-
Balance Available for Other Purposes	5,471,556
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11	1,345,070
Percentage of Fund General Obligation Debt Self-Supporting	100.00%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Solid Waste Fund general obligation debt to a segregated account in the Solid Waste Fund. FY 2011 revenue includes a planned drawdown of \$1,672,007 from general solid waste fund net assets.

THE DRAINAGE FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 10,805,754
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11	-
Balance Available for Other Purposes	10,805,754
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11	9,853,412
Percentage of Fund General Obligation Debt Self-Supporting	100.00%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Drainage Fund general obligation debt to a segregated account in the Drainage Fund. FY 2011 revenue includes a planned drawdown of \$1,731,826 from general drainage fund net assets.

THE ELECTRIC LIGHT AND POWER FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 31,236,181
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11	9,910,990
Balance Available for Other Purposes	21,325,191
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11	7,305,312
Percentage of Fund General Obligation Debt Self-Supporting	100.00%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Electric Light and Power Fund general obligation debt to a segregated account in the Electric Light and Power Fund.

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THE GATEWAY FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 7,419,148	
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11		-
Balance Available for Other Purposes		7,419,148
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11		7,974,872
Percentage of Fund General Obligation Debt Self-Supporting		93.03%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Gateway Fund general obligation debt to a segregated account in the Gateway Fund. FY 2011 revenue includes a planned transfer of \$2,424,248 from the Electric Light and Power Fund and a planned drawdown of \$402,124 from Gateway fund net assets.

THE AIRPORT FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 5,029,834	
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11		-
Balance Available for Other Purposes		5,029,834
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11		2,417,686
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Airport Fund general obligation debt to a segregated account in the Airport Fund. FY 2011 revenue includes a planned transfer of \$2,043,220 from the Airport Passenger Facility Change Fund.

THE TAX INCREMENT FINANCING FUND ^(a)

Net System Revenue Available, Fiscal Year Ended 9-30-10	\$ 2,234,753	
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-11		-
Balance Available for Other Purposes		2,234,753
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-11		3,119,858
Percentage of Fund General Obligation Debt Self-Supporting		71.63%

^(a) Each Fiscal Year the City transfers an amount equal to debt service requirements on the Tax Increment Financing Fund general obligation debt to a segregated account in the Tax Increment Financing Fund. The remainder of revenue needed, if any, to support the Tax Increment Financing Fund general obligation debt is transferred from the City's Solid Waste Fund.

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TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Issued To Date^(a)</u>	<u>Unissued</u>
Sewer System	05/21/77	\$ 3,303,000	2,175,000	1,128,000
Waterworks System	10/17/87	2,810,000	200,000	2,610,000
Street Improvements	05/01/93	10,170,000	10,166,000	4,000
Street Improvements	05/15/04	9,210,000	8,764,000	446,000
Civic Center/Auditorium Renovation and Improvements	05/15/04	6,450,000	6,450,000	-
Park Improvements	05/15/04	6,395,000	6,395,000	-
Police/Municipal Court Facilities	05/15/04	3,350,000	945,000	2,405,000
Library Improvements	05/15/04	2,145,000	2,145,000	-
Fire Stations	05/15/04	1,405,000	1,405,000	-
Animal Shelter Renovations & Improvements	05/15/04	1,045,000	160,000	885,000
Street Improvements	11/03/09	43,085,000	27,360,000	15,725,000
Fire Stations	11/03/09	7,500,000	2,750,000	4,750,000
		<u>\$ 96,868,000</u>	<u>68,915,000</u>	<u>27,953,000</u>

^(a) Includes the 2011 Bonds.

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TABLE 12 - OTHER OBLIGATIONS

FYE 30-Sep	Governmental Capital Lease Minimum Payment	Business-Type Capital Lease Minimum Payment	Total Capital Lease Minimum Payment
2011	\$ 4,400,479	7,428,771	11,829,250
2012	3,323,953	5,831,535	9,155,488
2013	3,786,705	4,379,173	8,165,878
2014	3,107,721	1,907,927	5,015,648
2015-2020	5,603,821	4,580,112	10,183,933
Interest	(2,199,303)	(2,033,657)	(4,232,960)
	<u>\$ 18,023,376</u>	<u>22,093,861</u>	<u>40,117,237</u>

The City also has obligations to pay various contract revenue bonds issued through the Department of Housing and Urban Development and the Canadian River Municipal Water Authority. The debt service requirements of the contract revenue bonds are detailed below.

FYE 30-Sep	Contract Revenue Bonds		
	Principal	Interest	Total
2011	\$ 1,629,355	1,890,586	3,519,941
2012	1,834,199	1,813,712	3,647,911
2013	1,782,527	1,733,521	3,516,048
2014	1,860,894	1,656,228	3,517,122
2015-2027	32,933,766	11,348,450	44,282,216
	<u>\$ 40,040,740</u>	<u>18,442,498</u>	<u>58,483,238</u>

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TABLE 13 - CHANGES IN NET ASSETS

	Fiscal Year Ended September 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
REVENUES					
Program Revenues					
Changes for Services	\$ 9,989,833	9,665,449	12,676,752	10,636,294	9,631,891
Operating Grants and Contributions	20,803,413	20,291,850	25,153,702	14,645,391	11,048,393
General Revenues					
Property Taxes	55,064,777	52,598,485	50,330,322	47,007,067	42,770,826
Sales Taxes	51,008,384	50,705,301	50,548,865	47,780,448	45,576,582
Other Taxes	5,457,767	5,451,314	5,370,708	4,908,952	4,447,203
Franchise Taxes	11,702,985	10,765,289	12,977,686	12,378,389	13,348,364
Other	5,726,310	5,398,433	10,316,286	9,786,269	11,292,070
Total Revenues	<u><u>\$ 159,753,469</u></u>	<u><u>154,876,121</u></u>	<u><u>167,374,321</u></u>	<u><u>147,142,810</u></u>	<u><u>138,115,329</u></u>
EXPENDITURES					
Administrative Services	\$ 12,005,910	11,078,376	12,372,316	12,154,972	9,910,392
Community Services	12,231,817	7,037,569	6,874,065	6,951,069	6,112,193
Cultural and Recreation	16,590,119	15,039,074	16,660,378	19,671,474	18,915,265
Economic Development	15,335,806	37,221,152	12,378,335	11,619,989	10,283,007
Fire	36,803,080	33,097,947	31,789,223	27,337,834	26,711,389
Health	5,599,276	5,818,547	6,141,386	5,898,588	5,013,691
Police	54,171,638	48,342,376	46,849,826	43,022,202	42,063,023
Other Public Safety	6,343,372	6,325,692	6,677,751	5,886,199	5,239,386
Streets and Traffic	28,180,967	30,138,853	16,357,025	14,370,197	11,849,496
Non-departmental	-	-	-	-	5,206,309
Intergovernmental	-	-	-	12,500,000	-
Interest on Long-Term Debt	12,207,377	9,840,431	8,367,167	6,968,480	4,326,128
Total Expenditures	<u><u>\$ 199,469,362</u></u>	<u><u>203,940,017</u></u>	<u><u>164,467,472</u></u>	<u><u>166,381,004</u></u>	<u><u>145,630,279</u></u>
Changes in net assets before special items & transfers	(39,715,893)	(49,063,896)	2,906,849	(19,238,194)	(7,514,950)
Transfers	19,869,774	10,039,415	(4,703,317)	10,571,943	9,607,211
Changes in net assets	(19,846,119)	(39,024,481)	(1,796,468)	(8,666,251)	2,092,261
Net Assets - beginning of year, as restated	100,907,931	139,932,412	141,728,880	112,721,026	110,628,765
Restatement	-	-	-	37,674,105	-
Net assets - end of year	<u><u>\$ 81,061,812</u></u>	<u><u>100,907,931</u></u>	<u><u>139,932,412</u></u>	<u><u>141,728,880</u></u>	<u><u>112,721,026</u></u>

Note: Data shown reflects general governmental activities reported in accordance with GASB Statement No. 34. The financial statements include a management discussion and analysis of the operating results of such fiscal year, including restatements to beginning fund balances and net assets.

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TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	Fiscal Year Ended September 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
REVENUES					
Taxes	\$ 86,888,762	84,711,760	85,345,082	80,266,416	75,999,624
Franchise Taxes	7,025,122	6,459,207	7,786,611	7,429,660	8,008,973
Licenses and Permits	2,493,594	2,213,041	2,663,139	2,531,032	2,250,635
Intergovernmental	484,543	503,889	530,389	514,896	408,997
Charges for Services	2,964,001	2,930,335	3,339,148	4,057,958	4,781,043
Fees and Fines	3,047,293	3,315,472	3,279,911	3,669,099	3,981,978
Miscellaneous	2,158,723	1,757,534	2,574,448	2,582,509	1,465,215
Interest	48,895	327,401	1,052,842	1,469,083	921,742
Operating Transfers	-	-	-	-	-
Total Revenues and Transfers	<u><u>\$ 105,110,933</u></u>	<u><u>102,218,639</u></u>	<u><u>106,571,570</u></u>	<u><u>102,520,653</u></u>	<u><u>97,818,207</u></u>
EXPENDITURES					
Cultural and Recreation	\$ 11,859,275	11,515,865	12,253,380	15,251,742	13,986,576
Economic & Business Development	982,508	966,068	1,215,978	1,122,880	1,146,267
Non-departmental	-	-	-	-	1,882,255
Admin/General Government	10,572,200	9,611,385	11,047,039	11,560,733	9,356,059
Police	45,018,594	43,539,601	42,831,016	40,448,254	37,463,740
Fire	31,874,544	30,479,464	29,630,222	26,690,350	24,638,814
Health	3,217,069	4,069,411	4,133,917	4,004,913	3,738,790
Other Public Safety	4,690,621	4,872,418	4,703,249	4,508,394	4,287,806
Planning and Transportation	-	-	-	-	-
Streets and Traffic	8,904,450	8,013,700	8,168,462	7,663,278	7,439,045
Human Resources	-	-	-	-	-
Debt Service	4,299,215	2,840,461	2,396,605	1,694,844	1,154,226
Capital Outlay	4,135,290	8,412,831	3,966,065	4,256,705	7,184,866
Operating Transfers	-	-	-	-	-
Total Expenditures	<u><u>\$ 125,553,766</u></u>	<u><u>124,321,204</u></u>	<u><u>120,345,933</u></u>	<u><u>117,202,093</u></u>	<u><u>112,278,444</u></u>
Excess (Deficiency) of Revenues and Transfers over Expenditures	\$ (20,442,833)	(22,102,565)	(13,774,363)	(14,681,440)	(14,460,237)
Capital Leases	\$ 4,015,386	8,714,556	3,011,141	3,721,262	5,119,980
Transfer In	19,805,805	19,303,155	17,729,361	14,536,071	13,325,046
Transfer Out	(3,449,174)	(5,996,006)	(6,129,512)	(4,374,956)	(1,436,498)
Fund Balance at Beginning of Year	19,881,415	19,962,275	19,125,648	19,924,711	17,376,420
Fund Balance at End of Year	\$ 19,810,599	19,881,415	19,962,275	19,125,648	19,924,711
Less: Reserves and Designations	(128,880)	(124,955)	(168,657)	(171,580)	(168,964)
Undesignated Fund Balance ^(a)	<u><u>\$ 19,681,719</u></u>	<u><u>19,756,460</u></u>	<u><u>19,793,618</u></u>	<u><u>18,954,068</u></u>	<u><u>19,755,747</u></u>

^(a) The City's financial policies target a General Fund undesignated balance of at least 20% of General Fund revenues. The undesignated fund balance is at 94.24% of the target established by the City's financial policies.

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TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Texas Tax Code, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations or other debt of the City. In addition, in January, 1995, Lubbock approved the imposition of an additional sales and use tax of one-eighth of a cent as authorized by Chapter 323 Texas Tax Code, as amended. Collection for the additional tax commenced in October, 1995 with the proceeds from the one-eighth cent sales tax designated for the use and benefit of the City to replace property tax revenues lost as a result of the adoption of the tax. At an election held in the City on November 4, 2003, voters approved an additional one-quarter cent sales and use tax, with the proceeds to be dedicated to the reduction of ad valorem taxation, and an additional one-eighth cent sales and use tax under Chapter 504 of the Texas Local Government Code to be used for economic development in Lubbock. The City began to receive proceeds of these taxes in October 2004. Collection and enforcement of the City's sales tax are effected through the offices of the Comptroller of Public Accounts, State of Texas. The Comptroller remits the proceeds of the tax to the City on a monthly basis after the deduction of a 2% service fee. Historical collections of the City's local Sales and Use Tax are shown below:

FYE 30-Sep	Total Collected ^(a)	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ^(b)
2006	\$ 45,576,582	108.60%	\$ 0.4828	\$215.81
2007	47,780,448	103.72%	0.4729	224.99
2008	50,548,865	102.75%	0.4592	235.28
2009	50,705,301	98.23%	0.4300	232.24
2010	51,008,384	95.42%	0.4370	222.19

^(a) Excludes bingo tax receipts.

^(b) Based on population estimates of the City.

Effective as of October 1, 2006, the sales tax breakdown for the City is as follows:

	Sales Tax Allocation %
City Sales & Use Tax	1.000
City Sales & Use Tax for Property Tax Relief	0.375
City Sales & Use Tax for Economic Development	0.125
County Sales & Use Tax	0.500
State Sales & Use Tax	6.250
Total	<u>8.250</u>

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TABLE 15 - CURRENT INVESTMENTS

As of December 31, 2010, the City's funds were invested the following categories:

Type	Par Value	Book Value		Estimated Market Value^(a)	
		Value	% of Total Book Value	Value	% of Total Market Value
United States Agency Obligations	\$ 40,000,000	40,019,949	8.32%	40,018,004	8.32%
Money Market Mutual Funds	4,290,004	4,290,004	0.89%	4,290,004	0.89%
Local Government Investment Pools	436,749,783	436,749,783	90.79%	436,749,783	90.79%
	<u>\$ 481,039,787</u>	<u>481,059,736</u>	<u>100.00%</u>	<u>481,057,791</u>	<u>100.00%</u>

^(a) Market prices are obtained from Wells Fargo Brokerage. No funds are invested in mortgage backed securities. The City holds all investments to maturity which minimizes the risk of market price volatility.

^(b) Money Market Funds are held at Wells Fargo Bank, Texas N.A.

^(c) Local government investment pools consist of entities whose investment objectives are preservation and safety of principal, liquidity, and yield. The pool seeks to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act.

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Table 16 - Monthly Water Rates

On September 16, 2010, the Lubbock City Council adopted water rate increases, effective December 1, 2010, that are designed to cover water expenses for the 2010-11 fiscal year and that fully fund the debt service for a number of major water supply projects.

<u>Base Rate ⁽¹⁾</u>	<u>Effective 12/01/10</u>		
3/4" meter	\$		24.00
1" meter (single family residential)			40.06
1" meter (other than residential)			40.06

<u>Flow Rate Charge per 1,000 Gallons</u>	<u>Block 1</u>	<u>Block 2</u>	<u>Block 3</u>
Single Family Residential	\$ 2.67	4.29	5.93
Single Family Residential Irrigation	n/a	4.29	5.93
Multi-Family Residential, Commercial and Public	2.67	4.29	5.93
Non-Residential Irrigation	n/a	4.29	5.93
Schools	2.67	n/a	n/a
Wholesale	3.47	5.57	7.70

⁽¹⁾ The Base Rate is for water service; Base Rates shown are for a 3/4" water meter and a 1" meter for residential and commercial customers; higher Base Rates apply to meters ranging from 1.5" to 10".

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Table 17 - Historical Water Consumption (Million Gallons)

<u>Calendar Year</u>	<u>Average Daily Consumption</u>	<u>Maximum Consumption Day/Year</u>
2004	34.421	59.940
2005	34.606	62.539
2006	38.400	68.770
2007	29.398	47.297
2008	32.947	57.176
2009	32.180	54.240
2010	32.690	50.400

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Table 18 - Waterworks System Condensed Statement of Operations

	Fiscal Year Ended September 30,				
	2010	2009	2008	2007	2006
REVENUE					
Operating Revenues	\$ 59,474,560	51,989,393	42,527,445	35,454,426	37,330,953
Non-Operating Revenues	319,290	580,276	2,123,853	1,746,843	1,678,056
Gross Revenues	<u>59,793,850</u>	<u>52,569,669</u>	<u>44,651,298</u>	<u>37,201,269</u>	<u>39,009,009</u>
EXPENSE					
Operating Expense ⁽¹⁾	<u>22,582,295</u>	<u>23,034,101</u>	<u>23,543,862</u>	<u>18,781,580</u>	<u>20,720,395</u>
Net Revenues	<u>\$ 37,211,555</u>	<u>29,535,568</u>	<u>21,107,436</u>	<u>18,419,689</u>	<u>18,288,614</u>
Number of Water Meters	79,762	79,200	77,608	77,147	75,876

⁽¹⁾ Operating expense includes construction repayment costs and operation and maintenance charges paid to Canadian River Municipal Water Authority and excludes depreciation and capital expenditures.

Note: The City has no outstanding or authorized Waterworks System Revenue Bonds, however, there is \$328,671,342 of general obligation debt outstanding which was issued for water system purposes on which annual debt service is provided from revenues of the System.

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Table 19 - Historic Wastewater Plant Treatment

The table below sets forth the average daily influent treated in million gallons per day, at the City's Southwest Water Reclamation Plant for each of the last seven calendar years.

<u>Calendar Year</u>	<u>Average Treatment</u>
2004	21.6 mgd
2005	21.2 mgd
2006	21.0 mgd
2007	23.0 mgd
2008	22.8 mgd
2009	20.7 mgd
2010	20.7 mgd

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Table 20 - Monthly Wastewater Rates

In providing adequate wastewater service to its customers, the utility must receive sufficient total revenue to ensure proper operation and maintenance, development and perpetuation of the system, and preservation of the utility's financial integrity. Nearly all of total revenue requirements for the utility is met from revenues derived from wastewater residential and commercial fees.

The goal in setting wastewater rates is to generate enough revenue to fund operating costs, debt payments, utility billing charges, indirect allocation, and transfers to the general fund; to adequately fund system improvements and maintenance programs; and to build and/or maintain target balances in both working capital and rate stabilization funds.

In July 2007, the City adopted the Strategic Water Supply Plan. The Plan recommends the Southeast Water Reclamation Plant be improved to treat all wastewater to stream discharge quality standards. On September 16, 2010, the Lubbock City Council adopted a rate increase effective December 1, 2010.

<u>Residential</u>	<u>12/01/2010</u>
Base Rate ⁽¹⁾	\$12.00
Flow Rate (Water Consumption)	2.05
<u>Commercial/Industrial ⁽²⁾</u>	
Base Rate ⁽¹⁾	\$ 21.14
Flow Rate (Water Consumption)	2.05

⁽¹⁾ The Base Rate is for wastewater service; Base Rates shown are for a 3/4" water meter for residential consumers and a 1 1/2" water meter for commercial consumers; higher Base Rates apply to larger meters ranging from 2" to 10".

⁽²⁾ Industrial waste that exceeds allowable limits is subject to surcharge for treating biochemical oxygen demand ("B.O.D.") and total suspended solids ("T.S.S."). Present surcharge rate for B.O.D. is \$0.1974/lb. and for T.S.S. is \$0.1807/lb.

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Table 21 - Wastewater System Condensed Statement of Operations

	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
REVENUE					
Operating	\$ 26,720,757	24,479,551	21,095,745	19,841,503	21,087,364
Non-Operating Revenues	149,122	1,155,952	1,954,744	1,541,445	1,064,241
Gross Revenues	<u>26,869,879</u>	<u>25,635,503</u>	<u>23,050,489</u>	<u>21,382,948</u>	<u>22,151,605</u>
EXPENSE					
Operating Expense ⁽¹⁾	<u>11,180,968</u>	<u>11,138,683</u>	<u>11,705,156</u>	<u>10,703,532</u>	<u>13,778,357</u>
Net Revenues	<u>\$ 15,688,911</u>	<u>14,496,820</u>	<u>11,345,333</u>	<u>10,679,416</u>	<u>8,373,248</u>
Number of Wastewater Records	72,539	73,213	72,389	71,616	70,490

⁽¹⁾ Operating expense excludes depreciation and capital expenditures.

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Table 22 - Monthly Solid Waste Rates

Summarized below are the current solid waste rates of the City as of October 1, 2010.*

<u>Residential Garbage Rate</u>	
Monthly Rate	\$ 15.25

<u>Commercial Garbage Rate</u>	
<u>Container Size</u>	<u>Monthly Rate</u>
2 cubic yards	\$ 40.57
3 cubic yards	60.14
4 cubic yards	79.70
6 cubic yards	115.38
8 cubic yards	151.06

<u>Landfill Fees</u>	
Tipping Fees	\$ 28.25/ton

*Rates do not include state surcharge fees or sales tax.

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Table 23 - Solid Waste System Condensed Statement of Operations

	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
Operating Revenues	\$ 17,037,506	16,979,975	16,754,438	16,885,042	13,948,861
Non-Operating Revenues	407,711	358,381	1,046,895	1,272,107	696,582
Gross Revenues	<u>17,445,217</u>	<u>17,338,356</u>	<u>17,801,333</u>	<u>18,157,149</u>	<u>14,645,443</u>
Operating Expense ⁽¹⁾ (excluding depreciation)	<u>13,645,668</u>	<u>12,353,610</u>	<u>12,119,969</u>	<u>10,741,078</u>	<u>10,731,475</u>
Net Revenues	<u>\$ 3,799,549</u>	<u>4,984,746</u>	<u>5,681,364</u>	<u>7,416,071</u>	<u>3,913,968</u>

⁽¹⁾ Operating expense excludes depreciation and capital expenditures.

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Table 24 - Monthly Municipal Drainage Rates

On September 16, 2010, the City Council adopted a new Drainage System rate ordinance, which became effective on October 1, 2010. The current rates are shown below.

<u>Residential Property:</u>	<u>Current Rates</u>
Single Family Residential	\$ 12.00
Multi-Family Residential B duplex, triplex and quadraplex (per unit):	12.00
Residential Water Sprinklers	Exempt
Mobile Homes and Mobile Home Parks	12.00
Construction - Residential	12.00
 <u>Non-residential Property:</u>	
Multi-Family Commercial (per unit):	\$ 12.00
Apartment Complex ⁽¹⁾	79.65
Private Schools, Churches, Federal Government	79.65
Commercial - Retail, Service, Industrial	79.65
Construction - Commercial	79.65
All Non-Residential Water Sprinklers	79.65

⁽¹⁾ Sprinkler meters for all apartment complexes are subject to the residential rate.

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Table 25 - Drainage Utility System Condensed Statement of Operations

	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
Operating Revenues	\$ 12,118,701	8,108,040	6,633,255	6,519,658	6,348,461
Non-Operating Revenues	68,125	317,750	951,903	1,332,620	1,799,381
Gross Revenues	<u>12,186,826</u>	<u>8,425,790</u>	<u>7,585,158</u>	<u>7,852,278</u>	<u>8,147,842</u>
Operating Expense ⁽¹⁾ (excluding depreciation)	<u>3,112,898</u>	<u>3,968,722</u>	<u>4,337,754</u>	<u>1,970,978</u>	<u>1,671,579</u>
Net Revenues	<u>\$ 9,073,928</u>	<u>4,457,068</u>	<u>3,247,404</u>	<u>5,881,300</u>	<u>6,476,263</u>

⁽¹⁾ Operating expense excludes depreciation and capital expenditures.

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Table 26 - Generating Stations

<u>Manufacturer</u>	<u>Year Installed</u>	<u>Station</u>	<u>Prime Mover</u>	<u>Fuel</u>	<u>Generator Capacity (in MW)</u>	<u>Dependable Capacity (in MW)</u>
Westinghouse	1957	J.R. Massengale No. 6 ⁽¹⁾	Steam Turbine	Gas	18	15
Westinghouse	1958	J.R. Massengale No. 7 ⁽¹⁾	Steam Turbine	Gas	18	16
Westinghouse	1964	Cooke GT 1	Gas Turbine	Gas	10	10
General Electric	1965	Cooke Steam 1	Steam Turbine	Gas or Oil	42	38
Worthington	1971	Cooke GT 2	Gas Turbine	Gas	15	15
General Electric	1974	Cooke GT 3	Gas Turbine	Gas	16	15
General Electric	1978	Cooke Steam 2	Steam Turbine	Gas or Oil	43	39
General Electric	1990	TX Tech (Brandon 1) ⁽²⁾	Gas Turbine	Gas	21	19
General Electric	2000	J.R. Massengale No. 8 ⁽¹⁾	Gas Turbine	Gas	40	38
					223	205

Note: **Bolded Units** reflect primary generation turbines.

⁽¹⁾ Massengale No. 8 can be operated in combined cycle mode with either Massengale No. 6 or Massengale No. 7.

⁽²⁾ Cogeneration plant located at Texas Tech University; waste heat is used to produce steam which is sold to the University.

⁽³⁾ Units 1, 2, 4, & 5 at J.R. Massengale Station are no longer economical to operate. These units have been decommissioned and removed from this list.

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Table 27 - Historical Power Supply Requirements

Fiscal Year	Peak Demand		Energy Sales ⁽¹⁾		
	MW	% Increase	MWh	% Increase	Load Factor (%)
2006	363.7	8.63	1,525,062	5.59	47.87
2007	367.1	0.93	1,535,287	0.67	47.74
2008	382.8	4.28	1,637,330	6.65	48.83
2009	399.8	4.44	1,648,375	0.67	47.07
2010	410.4	2.65	1,728,519	4.86	48.08

⁽¹⁾ Does not include Off System sales.

Fiscal Year	Net System Requirements		
	MWh	% Increase	Load Factor (%)
2006	1,581,404	4.28	49.64
2007	1,614,479	2.09	50.20
2008	1,710,822	5.97	51.02
2009	1,714,673	0.23	48.96
2010	1,800,495	5.01	50.08

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Table 28 - Statistical Data

<u>kWh TO SYSTEM</u>	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
	2,329,081,763	2,048,270,559	2,220,605,166	1,993,725,637	2,057,578,928
Sales of kWh					
Residential Service	747,691,787	695,875,402	685,995,051	648,762,856	645,806,895
Commercial Service	814,212,931	792,398,559	788,148,421	728,189,770	730,528,356
Municipal and Schools	166,450,331	160,101,440	163,186,180	158,334,395	148,271,498
Total Retail Sales	1,728,355,049	1,648,375,401	1,637,329,652	1,535,287,021	1,524,606,749
Wholesale Sales (Off System Sales)	528,750,343	333,598,000	509,782,800	376,166,499	476,630,000
Total Sales to All Customers	2,257,105,392	1,981,973,401	2,147,112,452	1,911,453,520	2,001,236,749
Loss and Unaccounted for	71,976,371	66,297,158	73,492,714	82,272,117	56,342,179
kWh To The System	2,329,081,763	2,048,270,559	2,220,605,166	1,993,725,637	2,057,578,928
EOFY Residential Meters	67,154	65,779	65,063	62,574	60,662
EOFY Commercial Meters	8,043	7,863	7,808	7,772	7,233
EOFY Municipal and School Meters	1,016	1,010	1,033	1,019	945
EOFY Total Meters	76,213	74,652	73,904	71,365	68,840
Total Plant Peak kW Demand	410,400	399,800	382,800	367,100	363,700
System Peak kW Demand ⁽²⁾	406,414	392,675	375,218	360,522	345,977

⁽¹⁾ Began tracking separately in 2007.

⁽²⁾ Deducts station power monthly peak (at time of total peak) from total plant peak to calculate net peak to load.

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Table 29 - Ten Largest Customers (Annual Consumption and Revenue)

	Fiscal Year Ended September 30, 2010			
	Megawatt Hours Billed	% of Total	Revenues	% of Total
Top 10 Customers	418,586,864	24.0	\$ 25,235,652	19.0
Top Two Customers	226,597,639	13.0	13,354,834	10.0

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Table 30 - Analysis of Electric Bills

	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
<u>All Customer:</u>					
Average Monthly kWh Per Meter	1,899	1,840	1,872	1,823	1,875
Average Monthly Bill Per Meter	\$ 143.88	142	165.81	143.15	155.54
Average Monthly Revenue Per kWh	0.075737	0.077378	0.088568	0.078531	0.082952
<u>Residential Customer:</u>					
Average Monthly kWh Per Meter	933	882	891	875	901
Average Monthly Bill Per Meter	\$ 82.25	79	86.95	74.97	78.50
Average Monthly Revenue Per kWh	0.088193	0.089442	0.097621	0.085702	0.087151
<u>Commercial:</u>					
Average Monthly kWh Per Meter	8,480	8,398	8,554	8,273	8,617
Average Monthly Bill Per Meter	\$ 564.76	574	710.67	602.31	680.89
Average Monthly Revenue Per kWh	0.066596	0.068348	0.083080	0.072803	0.079019
<u>Municipal and School:</u>					
Average Monthly kWh Per Meter	13,760	13,213	13,317	12,639	13,050
Average Monthly Bill Per Meter	\$ 806.19	920	1,025.64	954.15	1,096.76
Average Monthly Revenue Per kWh	0.058591	0.069633	0.077017	0.075490	0.084044

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Table 31 - Lubbock Power & Light 6-Year Capital Improvement Plan

Fiscal Year Ending <u>September 30</u>	Total LP&L Capital <u>Improvements</u>
2011	\$105,459,833
2012	13,322,000
2013	11,822,000
2014	9,622,000
2015	9,600,000
2016	9,600,000
	<u>\$159,425,833</u>

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Table 32 - Electric Light and Power System Revenue Bond Debt Service Requirements

Fiscal Year Ending September 30	Outstanding Revenue Debt		
	Principal ⁽¹⁾	Interest	Total
2011	\$ 8,035,000	1,875,990	9,910,990
2012	6,600,000	3,176,315	9,776,315
2013	6,845,000	2,909,440	9,754,440
2014	7,100,000	2,632,190	9,732,190
2015	7,365,000	2,344,050	9,709,050
2016	7,660,000	2,022,850	9,682,850
2017	8,020,000	1,639,850	9,659,850
2018	8,380,000	1,258,160	9,638,160
2019	8,775,000	838,470	9,613,470
2020	9,115,000	473,800	9,588,800
2021	460,000	24,150	484,150
	<u>\$ 78,355,000</u>	<u>19,195,265</u>	<u>97,550,265</u>

⁽¹⁾ Principal paid October 15th of each year.

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Table 33 - Lubbock Power & Light Condensed Statement of Operations

	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
REVENUE					
Operating Revenues					
Charges for Services	\$ 143,894,317	\$ 132,731,430	153,071,017	145,953,649	212,074,481
Non-Operating Income	(3,688,808)	2,072,874	5,366,811	6,465,340	2,642,333
Gross Revenues	<u>140,205,509</u>	<u>134,804,304</u>	<u>158,437,828</u>	<u>152,418,989</u>	<u>214,716,814</u>
OPERATING EXPENSE					
Personnel Services	15,157,181	13,388,165	12,305,453	13,763,044	10,718,282
Supplies	1,116,411	971,049	1,196,956	1,041,200	884,891
Maintenance	2,775,986	2,157,774	1,841,172	3,026,095	1,907,683
Power Plant Fuel	571,299	767,717	638,140	509,539	1,118,618
Gas Swap	-	-	-	12,813,521	72,572,034
Purchased Power	87,893,388	76,193,108	112,214,828	89,538,070	94,163,377
Uncollectible Accounts	671,973	-	-	-	589,728
Other Charges	4,461,060	4,006,516	3,819,293	5,210,063	4,072,409
Total Operating Expenses	<u>112,647,298</u>	<u>97,484,329</u>	<u>132,015,842</u>	<u>125,901,532</u>	<u>186,027,022</u>
Net Revenues ⁽¹⁾	<u>\$ 27,558,211</u>	<u>\$ 37,319,975</u>	<u>26,421,986</u>	<u>26,517,457</u>	<u>28,689,792</u>
Electric Connections	76,213	74,652	73,904	71,365	68,840

⁽¹⁾ The statement of operations shown above represents amounts legally available for the payment of LP&L debt service, but does not take into account all transfers from LP&L to the City's General Fund.

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Table 34 - Lubbock Power & Light Coverage and Fund Balances

Electric Light and Power System Revenue Available, September 30, 2010	\$ 27,558,211
Electric Light and Power System Revenue Bonds Outstanding.....	\$ 78,355,000
Average Annual Principal and Interest Requirements, 2011-2021.....	\$ 8,129,189
Coverage by Net Revenues, Fiscal Year Ended September 30, 2010	3.39 X
Maximum Principal and Interest Requirements, 2011-2021.....	\$ 9,910,990
Coverage by Net Revenues, Fiscal Year Ended September 30, 2010	2.78 X
Interest and Sinking Fund, September 30, 2010	\$ 4,304,441
Reserve Fund, ⁽¹⁾ September 30, 2010	\$ 1,769,464

⁽¹⁾ For LP&L's revenue bonds, the City covenants to maintain in the Reserve Portion of the Bond Fund a Required Reserve of not less than the average annual principal and interest requirements of all Bonds Similarly Secured, which will be calculated each fiscal year.

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Table 35 - Lubbock's Equity in LP&L

	Fiscal Year Ended September 30				
	2010	2009	2008	2007	2006
Property, Plant and Equipment	\$281,632,769	\$265,953,287	265,347,620	254,720,000	243,064,820
Less: Allowance for depreciation	(137,884,565)	(126,733,351)	(126,673,526)	(118,192,554)	(109,872,651)
	<u>143,748,204</u>	<u>139,219,936</u>	<u>138,674,094</u>	<u>136,527,446</u>	<u>133,192,169</u>
Construction in Progress	9,586,902	15,766,414	14,207,964	10,295,363	8,814,299
Net Fixed Asset Value	<u>153,335,106</u>	<u>154,986,350</u>	<u>152,882,058</u>	<u>146,822,809</u>	<u>142,006,468</u>
Plus:					
Capital Projects Fund			-	-	-
Permanent Capital Maintenance Fund	3,027,763	4,213,325	3,873,363	7,632,149	2,250,221
System Improvement Fund	-	-	-	-	-
Economic Development Fund	-	-	-	-	-
Rate Stabilization	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Deferred Charge	2,544,443	2,677,777	2,811,110	2,944,444	3,077,777
Working Capital	<u>74,503,477</u>	<u>72,104,336</u>	<u>54,118,821</u>	<u>44,324,568</u>	<u>25,590,904</u>
Value of the System	<u>233,410,789</u>	<u>233,981,788</u>	<u>213,685,352</u>	<u>201,723,970</u>	<u>172,925,370</u>
<u>Net Bond Debt</u>					
Bonds Outstanding	82,761,209	81,840,943	79,821,135	76,541,580	70,993,110
Less: I&S Fund & Reserve Fund	<u>(10,065,838)</u>	<u>(6,073,904)</u>	<u>(5,974,427)</u>	<u>(4,931,884)</u>	<u>(4,413,375)</u>
	<u>72,695,371</u>	<u>75,767,039</u>	<u>73,846,708</u>	<u>71,609,696</u>	<u>66,579,735</u>
Plus:					
Accrued Revenue Bond Interest	1,100,316	1,189,639	1,217,841	1,288,005	1,405,988
Accrued Vacation and Sick Leave	2,737,253	2,566,369	2,447,686	2,482,678	2,462,213
Arbitrage Rebate Liability	20,428	38,455	72,702	72,193	11,338
Net Outstanding Bonds	<u>76,553,368</u>	<u>79,561,502</u>	<u>77,584,937</u>	<u>75,452,572</u>	<u>70,459,274</u>
City's Equity in System	<u>\$ 156,877,849</u>	<u>\$ 154,458,741</u>	<u>136,173,117</u>	<u>126,271,399</u>	<u>100,107,665</u>
Percentage City's Equity in System	67.21%	66.01%	63.73%	62.60%	57.89%

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Table 36 - Monthly Electric Rates

Electric rates in the City are approved by the Electric Utility Board and then set by an ordinance adopted by the City Council. Beginning June, 2007, LP&L implemented new rates which are the same as those for Xcel Energy except for the Church rate, Street Light rate, and a minor revision in the Small General Service rate to allow certain sports field lighting to qualify and minor variations in billing policies. In addition, LP&L offers a discount to ensure that all LP&L customers pay less than the rate charged by Xcel Energy.

Approximately 58% of LP&L customers are billed under the Standard Residential rate schedule shown below with another 30% qualifying for a discounted winter residential rate by having whole house electric heating. Approximately 6.3% of LP&L customers are billed under the Small General Service rate schedule shown below. Other rate schedules are available for customers including School, Secondary General Service, Primary General Service, Transmission General Service, Municipal, Street Light, Church and Residential

	Residential	
Service Availability Charge		\$ 5.60 per month

All kilowatt hours ("kWh") per month @ \$0.053550 per kWh used during summer months.

All kWh per month @ \$0.043930 per kWh used during winter months (Standard Residential Rate)

All kWh per month @ \$0.033470 per kWh used during winter months (Space Heating Discount Residential Rate)

Summer Months: June - September

Winter Months: October - May

Plus: Fuel/Power Cost Adjustment Factor ⁽¹⁾

	Small General Service	
Service Availability Charge		\$ 10.91 per month

All kilowatt hours ("kWh") per month @ \$0.044450 per kWh used during summer months.

All kWh per month @ \$0.035040 per kWh used during winter months.

Summer Months: June - September

Winter Months: October - May

Plus: Fuel/Power Cost Adjustment Factor ⁽¹⁾

⁽¹⁾FUEL/POWER COST

ADJUSTMENT FACTORS

APPLICABLE: To all rate classes except State University

TERRITORY: Lubbock, Texas

SECONDARY DISTRIBUTION FUEL COST ADJUSTMENT FACTOR: The Secondary Distribution Fuel Cost Adjustment factor (SFCA) will be determined in accordance with the following formula for retail customers when service is metered at secondary voltages of approximately 600 volts and below:R

$$SFCA = (TGF + TWF +/- TA)/TES$$

TGF = Estimated total generation fuel costs, inclusive of all costs incurred by LP&L in procuring fuel, used for the month in LP&L's power plants to provide power to retail customers.

TWF = Estimated total of all wholesale purchased power fuel costs, including the cost of any wind energy in excess of the average cost of energy purchased, to be passed on to LP&L for the month to provide power to retail customers.

TA = Total adjustment for any under or over collected amounts, including interest, based on the secondary fuel cost adjustment factor from previous months.

TES = Estimated total energy sales in kWhs to retail customers.

**CITY OF LUBBOCK, TX
FINANCE DEPARTMENT
CONTINUING DISCLOSURE REPORT
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PRIMARY DISTRIBUTION FUEL COST ADJUSTMENT FACTOR: The Primary Distribution Fuel Cost Adjustment factor (PFCA) will be determined in accordance with the following formula for retail customers when service is metered at primary voltages of approximately 12kV:

$$PFCA = 0.987440 \times SFCA$$

TRANSMISSION FUEL COST ADJUSTMENT FACTOR: The Transmission Fuel Cost Adjustment factor (TFCA) will be determined in accordance with the following formula for retail customers when service is metered at transmission voltages of approximately 69kV:

$$TFCA = 0.941347 \times SFCA$$

POWER COST ADJUSTMENT FACTOR: The Power Cost Adjustment Factor (PCAF) will be determined in accordance with the following formula for retail customers in order to recover purchased power costs, including wind energy, cogeneration purchases, and similar costs incurred through any wholesale purchases, that are considered to be in excess of amounts recovered in the base rates. For customers on a non-demand rate, the resulting power cost adjustment factor may be combined with the appropriate fuel cost adjustment factor for billing purposes. For customers on a demand rate, the power cost adjustment factor will be a separate charge.

$$PCAF = ((TPP \pm TA) * DAF) / (TES \text{ or } TDS)$$

TPP = Estimated total of all purchased power costs for the month in excess of amounts recovered in the base rates.

TA = Total adjustment for any under or over collected amounts, including interest, of the power cost recovery factor from previous months.

TES = Estimated total energy sales in kWhs to retail customers on a non-demand rate.

TDS = Estimated total demand sales in kW to retail customers on a demand rate.

DAF = Demand allocation factor for each rate class as shown:

Rate Class Demand Allocation Factor

Residential 0.307514

Small General Service 0.028577

Commercial/Industrial 0.630790

Small Municipal & School 0.001137

Large Municipal & School 0.028265

Street Lighting 0.003716

Total 1.000000

FUEL/POWER COST ADJUSTMENT: For competitive purposes, without further action being taken by the City Council of the City of Lubbock, Lubbock Power & Light may adjust the total Fuel/Power Cost Adjustment Factor, so that the total Fuel/Power Cost Adjustment Factor is no greater than all applicable fuel and power cost recovery factors charged by any electric utility certificated to serve within the corporate limits of Lubbock, Texas and approved by the Public Utility Commission of the State of Texas. Such factors may include but not be limited to base fuel factors, surcharge factors, surcharge interest factors, refunds, and power cost recovery factors.

EFFECTIVE DATE: For all electric meters read by LP&L on or after June 1, 2007.