

**Ruth Nettles**

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**From:** Holtz, John [john.holtz@greenmountain.com]  
**Sent:** Thursday, August 14, 2008 11:07 AM  
**To:** Filings@psc.state.fl.us  
**Subject:** Electronic Filing Docket No. 070626-EI Review of Florida Power & Light Company's Sunshine Energy Program  
**Attachments:** Letter to FPSC re bckpymnt (8.14.08).pdf

**Electronic Filing**

**a. Person responsible for this electronic filing:**

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**b. Docket No. 070626-EI Review of Florida Power & Light Company's Sunshine Energy Program**

**c. The documents are being filed on behalf of Paul Markovich, Sr. VP, Green Mountain Energy Company**

**d. There are a total of 2 pages**

**e. The document attached for electronic filing is a letter seeking modification of Staff's Report of July 15, 2008 concerning costs and cost recovery issues associated with the termination of FPL's Sunshine Energy program.**

**John Holtz**

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**Green  
Mountain  
Energy<sup>SM</sup>**

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August 14, 2008

**VIA ELECTRONIC DELIVERY**

Ann Cole, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**RE: Docket No. 070626-EI  
Review of Florida Power & Light's  
Sunshine Energy Program**

Dear Ms. Cole:

I am writing to seek modification of a finding in Staff's Report of July 15, 2008, Issues Associated with Termination of the Sunshine Energy Program (Report).

In Section V of the Report, Staff includes as a "Potential ECCR Issue" the matter of FPL's monthly underpayments to Green Mountain during the period from June 2007 through May 2008. The relevant portion of Staff's Report reads as follows:

**Green Mountain Expense Report Correction**

FPL stated that it has discovered an error in an expense report used to determine the amount of customer contributions to be paid to Green Mountain. In effect, FPL underpaid Green Mountain between June 2007 and May 2008. It is estimated that this error amounts to approximately \$340,000. The Commission will decide in the ECCR proceedings the appropriateness of any reported expense associated with this error, and whether recovery should come from Sunshine Energy revenues or from the general body of ratepayers.

We wish to clarify for the Staff that the issue of FPL's monthly underpayments to Green Mountain is neither a cost associated with the termination of the Sunshine Energy program, nor a matter of cost recovery for FPL.

Since at least June of 2007, FPL underpaid Green Mountain each month the amount due under the services agreement between FPL and Green Mountain for served customer load for FPL's Sunshine Energy product. FPL investigated the matter and identified a "computational error," resulting in a variance between the number of enrolled customers and block products sold on the one hand, and the number of customers and block products for which Green Mountain actually received payment on the other. FPL

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acknowledged both the error and underpayments to Green Mountain on May 27, 2008. At that time, FPL promised to "remit to Green Mountain any and all additional funds resulting from the identification of improperly reporting of paid blocks at the completion of its investigation."

The exact amount which FPL owes to Green Mountain remains in dispute. According to Green Mountain's records, the cumulative total of FPL monthly underpayments equals \$484,165.50.

To the best of our knowledge, FPL collected the revenue for these blocks of Sunshine Energy product from customers. Thus, it would logically seem that no cost recovery is required by FPL in order to resolve the underpayments to Green Mountain.

Finally, FPL is contractually obligated to pay Green Mountain the full amount owed under the services agreement for this June 2007 through May 2008 time period, regardless of whether the Sunshine Energy program continued or was terminated.

Therefore, this issue of FPL underpayments is not a cost associated with termination of the Sunshine Energy program.

In sum, the back payment issue referenced in Section V of Staff's Report is a contract matter between FPL and Green Mountain, predates Docket No. 070626-EI (Review of Florida Power & Light Company's Sunshine Energy Program) and is unrelated to the termination of the Sunshine Energy program in that Docket. FPL has investigated and has acknowledged the error and that it underpaid Green Mountain. FPL has promised to remit to Green Mountain the underpayments, although the exact amount owed remains in dispute. FPL does not require cost recovery from the general body of ratepayers or from Sunshine Energy participants in order to pay Green Mountain the back payment amount owed, because FPL has already collected the amounts involved.

Green Mountain respectfully requests that Staff make an appropriate modification to its Report of July 15, 2007, and that the issue not be included as a cost of terminating the Sunshine Energy program in the Commission's Order in the present Docket, or as a matter for cost recovery in the ECCR proceeding.

Respectfully,



Paul N. Markovich  
Senior Vice President, Residential Services

cc:

Dr. Mary Bane, Executive Director, Florida Public Service Commission  
Michael Cooke, General Counsel