

## Ruth Nettles

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**From:** Cain, Frank [Frank.Cain@lcec.net]  
**Sent:** Wednesday, January 14, 2009 9:53 AM  
**To:** Filings@psc.state.fl.us  
**Subject:** E-Filing re: Docket 080665-EI  
**Attachments:** Letter of Support - Dennie Hamilton 01-13-08.pdf

Frank R. Cain, Jr., Manager, Power Supply Contract Administration  
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*Done  
01/14/09  
KMP*

Docket No. 080665-EI re: Petition of Florida Power & Light Company for approval of long-term agreement for full requirements electric service with Lee County Electric Cooperative.

Document being filed on behalf of William D. Hamilton, Executive Vice President & Chief Executive Officer, Lee County Electric Cooperative.

There are a total of two (2) pages.

The document attached for electronic filing is a letter in support of the approval of wholesale agreement between FPL and LCEC.

s/ Frank R. Cain, Jr., Manager, Power Supply Contract Administration  
Lee County Electric Cooperative, Inc. (LCEC)

1/14/2009

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK



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January 13, 2009

The Honorable Matthew M. Carter II, Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Chairman Carter:

**SUBJECT: DOCKET NO. 080665-EI - Petition of Florida Power & Light Company  
for Approval of Long-Term Agreement for Full Requirements Electric  
Service with Lee County Electric Cooperative**

My name is Dennie Hamilton, and I serve as Chief Executive Officer of Lee County Electric Cooperative, Inc. ("LCEC"), which provides electric service to nearly 200,000 member customers in Southwest Florida. Our mission at LCEC is to provide efficient, cost-competitive electric distribution and excellent customer service to our member customers.

On August 21, 2007, LCEC entered into a Long-Term Agreement for Full Requirements Electric Service (the "Agreement") with Florida Power & Light Company ("FPL"). The Agreement contains a condition precedent that gives FPL the right to terminate the Agreement if the Florida Public Service Commission ("FPSC") does not grant approval satisfactory to FPL. FPL filed a petition on November 10, 2008, which was placed on the subject docket asking the FPSC to approve the Agreement as prudent and consistent with the interests of FPL's retail customers (the "FPL Petition"). I am writing to express LCEC's strong support for the Agreement and for the FPSC's approval of it as requested by FPL.

LCEC contacted FPL in 2004 to begin exploring the possibility of FPL's providing full-requirements electric service, with LCEC receiving and paying for electric service from the full range of power supply resources on FPL's electric system. For many years, LCEC has been a member of Seminole Electric Cooperative, Inc., ("Seminole") and purchased its wholesale electric service from Seminole. LCEC has concluded, however, that the interests of the LCEC member customers would be better served by its acquiring wholesale power from a larger, more diverse electric system such as that operated by FPL. LCEC negotiated the terms of the Agreement with FPL over the course of many months. LCEC's goal was to generally replicate the cost-of-service responsibility that determines rates for FPL's retail customers, subject to regulatory accounting differences between the FPSC and the Federal Energy Regulatory Commission ("FERC"), which has authority over wholesale power sales such as this one. Throughout that process, FPL expressed its concern that, whatever arrangement might be reached, FPL needed to be comfortable – and to confirm that the FPSC is comfortable – that FPL's retail customers would not be disadvantaged by its serving LCEC as a full-requirements wholesale customer. The aforementioned condition precedent surfaced to address that concern.

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LCEC agreed to this condition precedent so long as LCEC can have certainty that FPL will be proceeding with the Agreement by no later than the end of 2009. LCEC needs to ascertain by then that FPL will be serving its load under the Agreement. In the event FPL will not be doing so, LCEC needs sufficient time to make alternative wholesale power arrangements. The Agreement also has a condition precedent for FERC approval, which FPL is not in a position to pursue until the FPSC has reached a decision on the subject FPL Petition. Therefore, a prompt decision on the FPL Petition is important to LCEC.

LCEC strongly supports FPSC approval of the Agreement and respectfully urges the FPSC to view it not as a competition between "us" (the FPL retail customers) and "them" (LCEC's member customers), but rather as a win for both sets of customers. Approving the Agreement will also serve the state of Florida well by showing the FPSC's support for sharing available power resources.

For these reasons, LCEC respectfully urges the FPSC to grant the FPL Petition as promptly as possible. If you have any questions about my letter or about LCEC and its member customers, please do not hesitate to call me.

Sincerely,



William D. Hamilton  
Executive Vice President  
& Chief Executive Officer

jv

cc: The Honorable Lisa P. Edgar, Commissioner  
The Honorable Nathan A. Skop, Commissioner  
The Honorable Katrina J. McMurrian, Commissioner  
The Honorable Nancy Argenziano, Commissioner  
Dr. Mary Bane, Executive Director, Florida Public Service Commission  
Mr. Patrick Booter Imhof, General Counsel, Florida Public Service Commission  
J.R. Kelly, Esquire, Office of Public Counsel