

**GREEN MOUNTAIN ENERGY COMPANY**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**DECEMBER 31, 2008**



**WEAVER  
AND  
TIDWELL**

*L.L.P.*

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors  
Green Mountain Energy Company:

We have performed the procedures below on the 2008 Green Book, which were agreed to by management, solely to assist the users in evaluating management's assertion that the Schedule of Retirements of Green Tags (Wholesale) and Carbon Offsets Against 2008 Retail Sales of Green Mountain Energy Company (Company) for the year ended December 31, 2008, attached as **Exhibit 1**, is presented in accordance with the terms of the Company's sales obligations resulting from the sale of (1) bundled electricity and (2) other non-electricity based products. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings are as follows:

- We obtained a copy of the 2008 and 2007 Green Book from the Company.
- We agreed **Exhibit 1** to the 2008 Green Book.
- We recalculated the excess Megawatt hour (MWh) inventory from the 2007 Green Book used to source sales in the 2008 Green Book, without exception.
- We recalculated the total purchases and allocations/retirements included in the 2008 Green Book to sales by supplier and noted purchases were equal to or greater than the MWh sourced to 2008 sales and noted the following:
  - The carbon dioxide offsets supply was less than the sales of the carbon dioxide offsets. The Company purchased an additional 1,265 trees that were then allocated to the sales of BeGreen carbon offsets in the Schedule of Retirements of Green Tags (Wholesale) and Carbon Offsets Against 2007 Retail Sales.

24 Greenway Plaza  
Suite 1800  
Houston, Texas 77046-2404  
713.850.8787  
F 713.850.1673

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF  
BAKER TILLY  
INTERNATIONAL

OFFICES IN

DALLAS

FORT WORTH

HOUSTON

SAN ANTONIO

## Purchase Testing Procedures:

- We selected a sample of purchases from each region used to source 2008 renewable energy sales in the 2008 Green Book using a 95% confidence level, tolerable deviation of 10%, and expected deviation rate of equal to or less than 3%. We tested approximately 47% of 2008 renewable energy purchases and performed the following:
  - Obtained a copy of the Tracking System Report or completed and signed Generator Attestation and/or Wholesale Attestation, as applicable, without exception.
  - Confirmed the Company was named as the purchaser on the Generator Attestation or Wholesale Attestation, as applicable, without exception.
  - Confirmed the Company is named as the owner of the Tracking System account by observing a Company representative access the Company's Tracking System Account.
  - Agreed the facility name, resource type, period of generation, and MWh generated or purchased to the Tracking System Report, Generator Attestation and/or Wholesale Attestation, as applicable, without exception.
  - Verified the "date facility first operational" on the Generator Attestation, Wholesale Attestation or United States Energy Information Administration database of all generators. We noted the MWh from a facility with an operational date after January 1, 1999 was listed as "new" and prior to January 1, 1999 was listed as "existing".
  - Confirmed the period of generation was within the period of July 1, 2007 through March 1, 2009 for all purchases except Texas tag purchases and noted the following:
    - A sale of 6,000 MWh of second quarter 2007 generation was included in the 2008 Green Book. We obtained a copy of the Renewable Energy Credits Sale Agreement dated January 28, 2008 and noted the generation period per the agreement was July 1, 2006 through March 31, 2008.
  - Confirmed that purchases from July 1, 2007 to March 31, 2008 sourced to 2008 sales were not also allocated to 2007 sales, without exception.

- We obtained the signed Carbon Dioxide Offset Purchase Agreement for all carbon offset purchases between The Climate Trust and the City of Portland and the signed Carbon Dioxide Offsets Purchase, Sale and Transfer Agreement between The Climate Trust and the Company. We agreed the total metric tons of carbon dioxide offset to the 2008 Green Book, without exception.
- We selected all purchases of carbon dioxide offsets through forest sequestration and agreed the quantity of trees planted to the invoice, without exception.
- We judgmentally selected a sample of Texas wind renewable energy credit (REC) purchases and agreed the vintage year, quarter, and MWh to the Company's ERCOT renewable energy tracking system account, without exception. Confirmed Texas wind REC purchases used to source 2008 sales were vintage year 2007 or 2008. We tested approximately 46% of the Texas Wind REC vintage year 2007 purchases and 57% of Texas Wind REC vintage year 2008 purchases.

#### **Sales Testing Procedures:**

- We obtained electricity usage reports from the Company for the utilities in Oregon, Florida, and New York for the year ended December 31, 2008 and agreed to the 2008 sales by region in **Exhibit I** and the 2008 Green Book without exception. The Company represented to us that the usage reports were received directly from the respective utilities.
  - Noted the Company and Florida terminated their sales agreement during 2008; therefore, we agreed the sales volumes to the final settlement agreement.
- We obtained electricity usage reports from the Company for the State of New Jersey for the year ended December 31, 2008 and agreed to the New Jersey sales in **Exhibit I** and the 2008 Green Book without exception. The Company represented to us that the usage reports were received directly from the State of New Jersey.
- We obtained 2008 internal usage reports for Texas – residential and Texas – commercial and institutional and performed the following:
  - Agreed the total MWh sold per the Texas internal usage reports to the 2008 Green Book sales for Texas - residential and Texas - commercial and institutional without exception.
  - Randomly selected sales from the Texas - commercial and institutional sales invoices using a 95% confidence level, tolerable deviation of 10%, and expected deviation rate of equal to or less than 3%.

- For the sample selected, compared the kilowatt hour (kWh) usage per the invoices to the market transaction for the service period and to the internal sales report, without exception.
- Selected sales for March and September 2008 from the Texas - residential sales usage reports and performed the following:
  - Agreed the monthly usage detail to the internal sales reports, without exception.
  - Randomly selected invoices from March and September 2008 using a 95% confidence level, tolerable deviation of 10%, and expected deviation rate of equal to or less than 3%.
  - For the sample selected, agreed the total kWh per invoice to the monthly usage detail, without exception.
- We noted BeGreen Business sales are individual sales sourced by RECs or energy efficiency offsets. We obtained internal detailed worksheets of the sales and performed the following:
  - We noted approximately 37% of the BeGreen Business REC sales were tested through the Green-e Energy Agreed Upon Procedures for the year ended December 31, 2008.
  - We randomly selected non Green-e Energy 2008 sales using a 95% confidence level, tolerable deviation of 10%, and expected deviation rate of equal to or less than 3% and performed the following:
    - Obtained the Nature's Energy monthly usage information provided by the Company and agreed to the 2008 sales without exception. The Company stated the usage reports were directly from the utility.
    - Agreed selected sales to copies of the invoices, contracts and or confirmations without exception.
    - The non Green-e procedures resulted in us testing 25% of BeGreen Business REC sales and 100% of the energy efficiency offset sales.

- We obtained internal Company reports for the BeGreen carbon offset sales and BeGreen Express products.
  - We recalculated the total metric tons of carbon dioxide offset from RECs, forest sequestration and energy efficiency offsets. Total carbon dioxide offsets from RECs are calculated by multiplying the total MWh by the output emission (lb/MWh) rate per region or sub region of the generating facility using the Environmental Protection Agency 2007 eGRID Year 2005. Forest sequestration is calculated by estimating 666 pounds of carbon dioxide per tree planted. Energy efficiency offsets are equal to one metric ton of carbon dioxide offset.
  - We agreed the total REC, trees and energy efficiency offsets to the 2008 Green Book without exception.
- We obtained internal Company reports for the Gift of Green product and agreed to the 2008 Green Book, without exception.
- We selected all voluntary and mandatory retirements for Texas and Florida and agreed the retirement to the Company's ERCOT account, without exception.
- We judgmentally selected a sample of 2008 Texas wind REC sales and agreed the total sales quantity to a sales confirmation, without exception. We also agreed the transfer to the Company's ERCOT account, without exception.

**Product Content Label Procedures:**

- We obtained product content labels or contracts for each product with 2008 sales greater than 10,000 MWh.
- We agreed the product definitions per the 2008 Green Book to the product content label or contracts selected without exception.
- We recalculated the tag requirements for each product definition without exception.
- We recalculated the net open positions for each region and noted the following:
  - The New York product had an allocation of 10% wind and 90% hydro allocation per the product content label. The Company allocated additional MWh to the product which totaled 6% more wind than required and 12% more hydro than required for the year ended December 31, 2008.

The above procedures were agreed to by management to assist the users in evaluating management's assertion that the Schedule of Retirements of Green Tags (Wholesale) and Carbon Offsets against 2008 Retail Sales (**Exhibit I**) of Green Mountain Energy Company for the year ended December 31, 2008 is presented in accordance with the terms of the Company's sales obligations resulting from the sale of (1) bundled electricity and (2) other non-electricity based products.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes and is not intended to be and should not be used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
July 9, 2009