

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of investor-owned electric utilities' risk management policies and procedures.

DOCKET NO. 011605-EI  
ORDER NO. PSC-02-0821-PCO-EI  
ISSUED: June 14, 2002

ORDER MODIFYING ORDER ESTABLISHING PROCEDURE

By Order No. PSC-02-0192-PCO-EI ("Order Establishing Procedure"), issued February 12, 2002, procedural guidelines, a tentative list of issues, and controlling dates were established for this docket. By Order No. PSC-02-0428-PCO-EI, issued March 28, 2002, the tentative list of six issues was expanded to seven. As identified in the Order Establishing Procedure, Issue 1 currently reads as follows:

ISSUE 1: Is each investor-owned electric utility taking reasonable steps to manage the risks associated with its fuel and purchased power transactions through the use of physical, operational, and financial hedging practices?

To limit the scope of this broad issue to a more manageable level for the parties and the Commission to address, the issue shall be replaced with the following two issues:

ISSUE 1A: What role should the Commission take concerning the manner in which each investor-owned electric utility manages risks associated with fuel procurement?

ISSUE 1B: Is each investor-owned electric utility taking reasonable steps to manage the price risk associated with its natural gas and residual oil transactions, as well as purchased power transactions based on natural gas prices, through the use of physical, operational, or financial hedging practices, or a combination of those practices?

DOCUMENT NUMBER-DATE

06186 JUN 14 8

FPSC-COMMISSION CLERK

In addition, each party should address the following new issue in its prefiled testimony, where applicable:

ISSUE 1C: For what purposes does each investor-owned electric utility engage in physical, operational, or financial fuel price hedging practices, or a combination of those practices, and to what extent do such purposes involve reductions in fuel price volatility versus reductions in fuel costs?

This issue is intended for informational purposes and is not intended for resolution by the Commission. However, in addressing the other issues established in this docket, the Commission is not precluded from deciding what it believes the proper purposes of fuel price hedging should be.

In addition to the above modifications to the issues established in this docket, the deadline for utilities to prefile their direct testimony in this docket is hereby extended from June 19, 2002, to June 24, 2002.

This Order is issued pursuant to the authority granted by Rule 28-106.211, Florida Administrative Code, which provides that the presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of the case.

Based upon the foregoing, it is

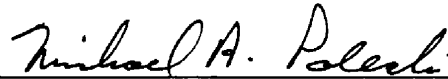
ORDERED by Commissioner Michael A. Palecki, as Prehearing Officer, that the tentative list of issues set forth in Order No. PSC-02-0192-PCO-EI in this docket, as modified by Order No. PSC-02-0428-PCO-EI, is hereby modified as set forth in the body of this Order. It is further

ORDERED that the deadline for utility direct testimony set forth in Order No. PSC-02-0192-PCO-EI is hereby extended from June 19, 2002, to June 24, 2002. It is further

ORDER NO. PSC-02-0821-PCO-EI  
DOCKET NO. 011605-EI  
PAGE 3

ORDERED that Order No. PSC-02-0192-PCO-EI is affirmed in all other respects.

By ORDER of Commissioner Michael A. Palecki, as Prehearing Officer, this 14th day of June, 2002.



MICHAEL A. PALECKI  
Commissioner and Prehearing Officer

( S E A L )

WCK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural, or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2)

ORDER NO. PSC-02-0821-PCO-EI  
DOCKET NO. 011605-EI  
PAGE 4

reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.