

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 060001-EI
ORDER NO. PSC-06-0710-PCO-EI
ISSUED: August 23, 2006

SECOND ORDER REVISING ORDER ESTABLISHING PROCEDURE

Order No. PSC-06-0207-PCO-EI, issued March 15, 2006 (Order Establishing Procedure), sets forth the procedural guidelines, tentative issues, and controlling dates for this docket. Since the date of the order, the Office of Public Counsel (OPC) has filed a Petition For Modification Of Reward/Penalty Criteria of Generating Performance Incentive Factor Mechanism (petition). In its petition, OPC has requested that the parties address, as an issue in the hearing scheduled for November 6-8, 2006, in this docket, the application of a "dead band" principal to the reward/penalty provisions as applied in the Generating Performance Incentive Factor (GPIF) manual. OPC also requests that the dead band be implemented in the upcoming projection period. In addition to the "dead band" principal, OPC has requested that the GPIF manual be changed to include absolute values for minimum system heat rate and availability standards. OPC requests that this last issue concerning changing manual be addressed in the 2007 fuel docket but that it be permitted to proceed with discovery in the 2006 fuel docket. No party has responded to the petition.

Upon review, it appears that the issues raised by the petition are within the scope of the fuel docket. Pursuant to Rule 28-106.211, Florida Administrative Code, the presiding officer has authority to issue any orders relating to discovery and to issue orders to promote the just, speedy and inexpensive determination of all aspects of the case. Amending the Order Establishing Procedure to include the dead band issue and to require the filing of testimony and exhibits in a timely manner will promote the just and speedy determination of the fuel docket. Allowing discovery related to amending the GPIF manual to establish absolute values for minimum system heat rate and availability standards is appropriate.

Accordingly, the Order Establishing Procedure is amended as follows:

Tentative List of Issues

The list of issues identified in Attachment A to the Order Establishing Procedure is amended to include the following:

**ISSUES RAISED BY PETITION OF THE CITIZENS OF THE STATE OF FLORIDA
REGARDING THE MODIFICATION OF REWARD/PENALTY CRITERIA OF
GENERATING PERFORMANCE INCENTIVE FACOTOR MECHANISM**

DOCUMENT NUMBER-DATE

07665 AUG 23 06

FILED

ISSUE 33: Should the Commission amend or modify the existing GPIF mechanism so as to incorporate a “dead band” around the scale of Generating Performance Incentive Points in the amounts proposed by OPC?

ISSUE 34: If the “dead band” amendment to the GPIF mechanism is implemented by the Commission should it be applied for the current year so that the rewards or penalties are applied commencing January 1, 2007?

The following issue will be included in the 070001 Fuel Docket:

2007 ISSUE: Should the GPIF manual be amended to include absolute values on each unit for minimum system heat rate and minimum availability as proposed by the Office of Public Counsel in its Petition for Modification of Reward/Penalty Criteria of Generating Performance Incentive Factor Mechanism?

Because the fuel docket is a continuing docket and because this particular issue involves a significant investment in time and a major change to the existing GPIF manual, the parties may begin discovery on the 2007 issue during the 2006 docket.

Controlling Dates

The following controlling dates are in addition to and do not replace those established by prior orders:

OPC Direct Testimony and exhibits related to “dead band” proposal	May 29, 2006
Utility and Intervenor Direct testimony and exhibits related to “dead band” proposal	August 22, 2006
OPC rebuttal testimony and exhibits related to “dead band” proposal, if any	October 6, 2006

All other controlling dates shall remain as established by Order No. PSC-06-0207-PCO-EI and as modified by Order No. PSC-06-0560-PCO-EI .

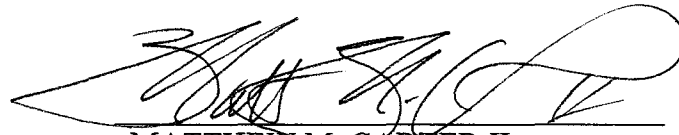
Based on the foregoing, it is

ORDERED by Commissioner Matthew M. Carter, II, as Prehearing Officer, that the issues, procedures and controlling dates are amended as set forth in the body of this Order. It is further

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ORDERED that Order No. PSC-06-0207-PCO-EI and Order No. PSC-06-0560-PCO-EI are reaffirmed in all other respects.

By ORDER of Commissioner Matthew M. Carter II, as Prehearing Officer, this 23rd day of August, 2006.



MATTHEW M. CARTER II
Commissioner and Prehearing Officer

(SEAL)

LCB

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; or (2) 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.