

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: June 6, 2002
TO: All Parties of Record
FROM: Cochran Keating, Senior Attorney
RE: Docket No. 011605-EI - Review of Investor-Owned Electric Utilities' Risk Management Policies and Procedures.

Via Facsimile

Please be advised that Commission staff will conduct an informal meeting in the above-referenced docket at the following time and place:

2:00 p.m., Monday, June 10, 2002
Room 309, Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida

Persons wishing to participate by phone may call (850) 414-1707 or SunCom 994-1707 at the time set forth above.

The purpose of this meeting is to discuss a staff proposal to modify the issue currently identified as Issue 1 in this proceeding by replacing it with the following two issues:

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

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 price indices, through the use of physical, operational, and financial hedging practices?

In addition, staff proposes to add the following issue to this proceeding:

For what purposes do investor-owned electric utilities engage in fuel price hedging, and to what extent do such purposes involve reductions in fuel price volatility versus reductions in fuel costs?

If you have any questions about this meeting, please call Cochran Keating at (850) 413 6193 or Bill McNulty at (850) 413-6443.

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cc: Division of the Commission Clerk and Administrative Services
Division of Economic Regulation
Division of Competitive Markets and Enforcement