

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation of the) DOCKET NO. 930331-EU
National Energy Policy Act,) ORDER NO. PSC-93-0710-FOF-EU
Section 712, Exempt Wholesale) ISSUED: 5/10/93
Generator (EWG) Standards.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER DIRECTING CONSIDERATION IN RULEMAKING PROCEEDING
AND CLOSING DOCKET

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On October 5, 1992, the United States Congress passed legislation known as the National Energy Policy Act of 1992. This broad based legislation concerns numerous aspects of the electric and gas industries. This Docket was opened to address Section 712 of the Act which requires State Commissions to perform a general evaluation of the following:

- (i) the potential for increases or decreases in the costs of capital and resulting increases or decreases in retail rates that may result from the purchase of long-term wholesale power supplies;
- (ii) whether the use by Electric Wholesale Generators (EWGs) of capital structures that employ proportionally greater amounts of debt than the capital structure of the purchasing utility provides an unfair advantage or threatens reliability;

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(iii) whether to implement procedures for the advance approval or disapproval of a particular long-term wholesale power purchase;

(iv) whether to require as a condition for approval of the power purchase that there be reasonable assurances of fuel supply adequacy.

Subsection (E) also requires that the Commission, as the state agency responsible for regulating the electric industry in this state, shall make a determination whether it is appropriate to implement the standards outlined in Section 712 within one year after the date of enactment, i.e., by October 1993.

At the present time, this Commission has a pending rulemaking proceeding (Docket No. 921288-EU) to develop a rule establishing for utilities the procedures by which they will select between competing providers of capacity and energy (Bidding). We believe that the issues in the National Energy Policy Act requiring determinations by this Commission are closely related to the subject matter of any rule governing competitive bidding for generation resources. Accordingly, we will consider those issues in that docket.

Based on the foregoing, it is

ORDERED that the issues in Section 712 of the National Energy Policy Act requiring determinations by this Commission shall be considered in the rule-making docket evaluating competitive bidding for generation resources (Docket No. 921288-EU). It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.