EXHIBIT 1
Hedging Order Clarification Guidelines

I. File an annual Risk Management Plan for Fuel Procurement (the "Plan") as part of the IOU's Annual Fuel Projection Filing. The Plan would be submitted for Commission approval at the annual Levelized Fuel Cost Recovery and Capacity Cost Recovery Hearing held in November (the "Annual Fuel Hearing").

   a. Each IOU will file a comprehensive Plan as part of its annual Levelized Fuel Cost Recovery and Capacity Cost Recovery Projection filing ("Projection Filing", which typically occurs in late August or early September) that includes the level of detail the IOU feels is appropriate for the risk management/hedging program to be executed. As has been the case with risk management plans filed to date, the Plan will address Items 1, 3 (to the extent possible), 4-9 and 13-15 of Exhibit TFB-4 (ref. Paragraph 2 of the Proposed Resolution of Issues approved in Order No. PSC-02-1484-FOF-EI, Docket No. 011605-EI, dated October 30, 2002). The Plan will cover the activities to be undertaken during the following calendar year for hedges applicable to subsequent years (e.g., file Plan in September 2008 describing the hedging program to be executed during calendar year 2009 for hedges applicable for on-going activities for 2009 and subsequent years included in the hedging program).
   b. The Plan may be filed with a request for confidentiality to ensure that an IOU's anticipated hedging activities are not broadcast to the market prior to execution.
   c. The Commission will review for approval each IOU's Plan during the Annual Fuel Hearing, which approval is required to proceed with the proposed hedging activities. This is consistent with page 18 of the Staff recommendation, dated April 14, 2008, on FPL's VMM proposal: "Staff believes the more appropriate approach is for the Commission to approve in advance company risk management plans that identify ranges for the percentages of volumes to be hedged and the types of hedging instruments. Acting within those guidelines, the Company can rebalance its hedge positions in response to changes in market conditions."

II. "Hedging Activities" that are appropriately reported by IOU's in their hedging information reports are defined to be natural gas and fuel oil fixed price financial or physical transactions; instruments include fixed price swaps, options, etc. If an IOU is responsible under a power purchase agreement for providing the natural gas or fuel oil required to generate the power purchased thereunder, the IOU will report on any hedging activities that it undertakes with respect to such fuel.

III. At the Annual Fuel Hearing, the Commission will review and approve the prudence of each IOU's hedging activities for the year ending the immediately preceding July 31 (e.g., at the November 2009 Annual Fuel Hearing, the Commission will review and approve hedging activities for the period August 1, 2008 though July 31, 2009). To facilitate this review, each IOU will file the following each year:

a. A Hedging Activity Final True-Up Report in April, covering the prior calendar year; and
b. A Hedging Activity Supplemental Report by August 15, covering the period January 1 to July 31 of that year.

Hedging Activity Final True-Up Reports and Hedging Activity Supplemental Reports will present the data on hedging activities by month, for each month covered by the reports.

IV. Establish the following guiding principles that the Commission recognizes as appropriate and will follow in reviewing risk management plans and an IOU's hedging actions:

a. The Commission finds that the purpose of hedging is to reduce the impact of volatility in the fuel adjustment charges paid by an IOU's customers, in the face of price volatility for the fuels (and fuel price-indexed purchased power energy costs) that the IOU must pay in order to provide electric service.
b. The Commission finds that a well-managed hedging program does not involve speculation or attempting to anticipate the most favorable point in time to place hedges. Its primary purpose is not to reduce an IOU's fuel costs paid over time, but rather to reduce the variability or volatility in fuel costs paid by customers over time.
c. The Commission endorses the goal of controlling volatility of fuel adjustment charges and finds that hedging is a useful tool for this purpose.
d. The Commission acknowledges that hedging can result in significant lost opportunities for savings in the fuel costs to be paid by customers, if fuel prices actually settle at lower levels than at the time that hedges were placed. The Commission recognizes this as a reasonable trade-off for reducing customers' exposure to fuel cost increases that would result if fuel prices actually settle at higher levels than when the hedges were placed. The Commission does not expect an IOU to predict or speculate on whether markets will ultimately rise or fall and actually settle higher or lower than the price levels that existed at the time hedges were put into place.
e. The Commission recognizes that market prices and forecasts of market prices have experienced significant volatility and are expected to continue to be highly volatile and, therefore, does not intend that an IOU will try to "outguess the market" in choosing the specific timing for effecting hedges or the percentage or volume of fuel hedged.
f. In order to balance the goal of reducing customers' exposure to rising fuel prices against the goal of allowing customers to benefit from falling fuel prices, the Commission finds that it is appropriate to hedge a portion of the total expected volume of fuel purchases; the volume and timing of such hedges will be implemented within the parameters of an approved plan.
g. The Commission understands that each respective company's forecast of fuel burns is an on-going process and forecasts do change over time. As a result, the