

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for expedited)
approval of an agreement to)
purchase the Tiger Bay)
cogeneration facility and)
terminate related purchased)
power contracts by Florida)
Power Corporation.)
/

Docket No. 970096-EQ

Filed: February 6, 1997

VASTAR GAS MARKETING, INC.'s
REQUEST FOR ORAL ARGUMENT

Vastar Gas Marketing, Inc. ("VGM"), by and through undersigned counsel, pursuant to Rule 25-22.058, Florida Administrative Code, hereby submits this Request for Oral Argument on its Petition for Leave to Intervene in this proceeding which it is filing contemporaneously herewith. In support of its Request for Oral Argument, VGM states:

1. Tiger Bay Limited Partnership ("TBLP"), which is managed by Destec Energy, Inc. or a subsidiary thereof ("Destec"), currently owns a gas-fired combined cycle cogeneration facility located near Fort Meade in Polk County, Florida (the "Project" or "Tiger Bay"). TBLP sells 217.75 MW of committed capacity to Florida Power Corporation ("FPC") pursuant to five power purchase agreements which TBLP administers from the Project (collectively the "PPAs").

2. On September 22, 1993, Arco Natural Gas Marketing, Inc., predecessor in interest to VGM, entered into a Gas Sales and Purchase Contract with TBLP/Destec pursuant to which VGM supplies to TBLP 100% of the Project's natural gas requirements (the "Gas Sales Contract"). The Gas Sales Contract is scheduled to extend through 2010.

3. The Gas Sales Contract contains specific provisions to protect VGM against unilateral assignments of TBLP's rights and obligations thereunder. Specifically, Section 18.01 of the Gas Sales Contract prevents TBLP from assigning the Gas Sales Contract to a third party without first obtaining VGM's written consent.

4. Additionally, VGM, as a condition to entering into the Gas Sales Contract, relied upon Destec or its affiliate, Polk County CoGen, Inc., remaining the owner and managing partner of Tiger Bay. Accordingly, Section 18.03 requires Destec to obtain VGM's prior consent to any sale of its interest in the Project.

5. On January 20, 1997, TBLP, FPC, and FPC Acquisition, L.L.C. entered into a Purchase Agreement pursuant to which FPC proposes to purchase, own and operate all of TBLP's assets associated with the Project, and terminate all five PPAs. The Gas Sales Contract is among TBLP's assets that will be acquired by FPC under the Purchase Agreement. The Purchase Agreement anticipates that the Gas Sales Contract will be assigned to FPC.

6. The closing of the Purchase Agreement is contingent upon Destec or TBLP obtaining all required consents of VGM under the Gas Sales Contract. However, to date, VGM has not consented to any aspect of the Purchase Agreement.

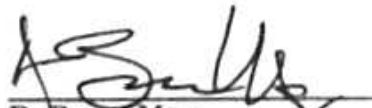
7. On January 22, 1997, FPC initiated the proceedings in this docket by filing a Petition for Expedited Approval of an Agreement to Purchase the Tiger Bay Cogeneration Facility and Terminate Related Purchased Power Contracts (the "Petition"). In its Petition, FPC acknowledges that fuel is supplied to the Project under a long term gas contract with VGM.

8. The Purchase Agreement and assignment of the Gas Sales Contract to FPC could fundamentally alter the terms of the Gas Sales Contract, and substantially affect VGM's rights thereunder. Thus, contemporaneously with filing this Request for Oral Argument, VGM is filing its Petition for Leave to Intervene in this proceeding.

9. Oral argument would be beneficial in aiding the Florida Public Service Commission (the "Commission") in comprehending and evaluating why VGM's intervention in this proceeding is necessary. Oral argument will allow VGM to explain to the Commission how its rights could be materially and adversely affected by the Purchase Agreement and assignment of the Gas Sales Contract. Oral argument will also allow the Commission to ask questions that may be helpful in resolving the issues raised in VGM's Petition for Leave to Intervene.

WHEREFORE, VGM respectfully requests that it be granted oral argument on its Petition for Leave to Intervene.

Respectfully submitted,



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**Attorneys for Vastar
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Request for Oral Argument was furnished by U.S. mail to James A. McGee, Esq., Florida Power Corporation, P.O. Box 14042, St. Petersburg, FL 33733-4042 and by hand delivery to Lorna R. Wagner, Esq., Florida Public Service Commission, 2540 Shumard Oak Blvd., Rm. 370, Tallahassee, FL 32399-0850 this 6th day of February, 1997.


D. Bruce May

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