

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition for Expedited
Approval of Settlement Agreement
with Lake Cogen, Ltd. by
Florida Power Corporation.**

Docket No. 961477-EQ

**REQUEST OF
LAKE INTEREST HOLDINGS, INC.
TO PARTICIPATE IN ORAL ARGUMENT**

Pursuant to Rule 25-22.058, Florida Administrative Code, Lake Interest Holdings, Inc ("LIHI"), respectfully requests leave to participate in oral argument to the extent the Commission entertains such oral argument in this proceeding. LIHI has separately filed today a petition to intervene in this proceeding and a motion to suspend the procedural schedule pending resolution of a separate judicial action. In support of this motion, LIHI states as follows.

1. On December 12, 1996, Florida Power Corporation ("FPC") filed with the Commission a "Petition for Expedited Approval of Settlement Agreement with Lake Cogen, Ltd. by Florida Power Corporation" ("FPC Petition"). FPC attached to its Petition a document entitled "Settlement Agreement and Amendment to Negotiated Contract for the Purchase of Firm Energy from a Qualifying Facility between Lake Cogen, Ltd. and Florida Power Corporation" ("Settlement Agreement").

DOCUMENT FILED
02232 FEB 25 1997
FPSC-REGISTRATION/RECORDING

2. **This Settlement Agreement purports to resolve, among other matters, ongoing litigation between FPC and Lake Cogen, Ltd. ("Lake") concerning the terms, conditions, and payments to be made for purchased power from the Lake plant under the "Negotiated Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility between Lake Cogen, Ltd., and Florida Power Corporation" ("Power Purchase Agreement" or "PPA"), from August, 1994, to the date of the Settlement Agreement.**

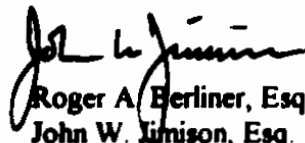
3. **LIHI is a General Partner in Lake Cogen, Ltd. pursuant to the First Amended and Restated Limited Partnership Agreement of Lake Cogen Ltd., as amended. LIHI holds 50.1% of the equity in Lake Cogen, Ltd., 49.1% as a Limited Partner and 1% as a General Partner. The remaining equity in the Lake partnership is held by GPU International ("GPU") through subsidiaries including Lake Investment, L.P. which holds a 48.9% share of Lake Cogen, Ltd. as a limited partner and 1% as a general partner. The stock of Lake Investment, L.P., is held by two entities, NCP Lake Power Incorporated ("NCP Lake"), and NCP Gem Incorporated ("NCP Gem"). Thus, in total, LIHI owns 50.1% of Lake and GPU through Lake Investment, NCP Lake, and NCP Gem, owns 49.9%, and both parties hold equal 1 percent shares as General Partners.**

4. **As is detailed in LIHI's Petition to Intervene and Motion to Suspend the Procedural Schedule, LIHI submits that NCP Lake lacked the necessary authority to enter into the Settlement Agreement with FPC for and on behalf of Lake Cogen, Ltd., without LIHI's consent as a General Partner. As a result, the Settlement Agreement is invalid and**

must be considered of no force or effect as it has not been executed by any person with the proper authority to execute it on behalf of Lake.

5. As is also detailed in LIHI's Petition to Intervene and Motion to Suspend the Procedural Schedule, LIHI has separately filed a Complaint for Declaratory Relief in the Circuit Court of the Fifth Judicial Circuit in and for Lake County, Florida, to obtain a judicial interpretation of the Partnership Agreement. LIHI has moved that the procedural schedule in this docket be suspended until such time as the Court acts on LIHI's Complaint for Declaratory Relief.
6. *Wherefore*, to the extent that the Commission entertains oral argument on LIHI's Petition to Intervene, on LIHI's Motion to Suspend the Procedural Schedule, or on any other matter concerning this docket, LIHI seeks leave to participate.

Respectfully submitted,



Roger A. Berliner, Esq.
John W. Jimison, Esq.
Peter G. Hirst, Esq.
Brady & Berliner
1225 19th Street, N.W.
Washington, D.C. 20036

Attorneys for
Lake Interest Holdings, Inc.

February 27, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled in this proceeding.

Dated at Washington, D.C. this 28th day of February, 1997.

Evonne Edmonds

Evonne Edmonds