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ORIGINAL

March 20, 2002

D. BRUCE MAY, JR.
850-425-5607

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VIA HAND DELIVERY

Blanca S. Bayo
Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

Re: Petition of Florida Power Corporation for approval of an agreement with Cedar Brakes IV, LLC, to restructure three existing contracts, Docket No. 020164-EQ

Dear Ms. Bayo:

On behalf of El Paso Merchant Energy North America Company ("EPME") enclosed for filing in the captioned matter are the original and fifteen (15) copies of EPME's Petition for Leave to Intervene. A diskette containing this filing in Wordperfect format is also enclosed.

For our records, please acknowledge your receipt of this filing on the enclosed copy of this letter. Thank you for your consideration.

Sincerely,

HOLLAND & KNIGHT LLP

[Signature]
D. Bruce May

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

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03242 MAR 20 02

FPSC-COMMISSION CLERK

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Blanca S. Bayo
March 20, 2002
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Enclosure

cc: James McGee, Esq.
Robert Elias, Esq.
Jane Colby
Andrew Kidd, Esq.

TAL1 #248868 v1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power Corporation for approval of an agreement with Cedar Brakes IV, LLC, to restructure three existing cogeneration contracts.

Docket No. 020164-EQ

Filed: March 20, 2002

**EL PASO MERCHANT ENERGY NORTH AMERICA COMPANY'S
PETITION FOR LEAVE TO INTERVENE**

El Paso Merchant Energy North America Company ("EPME"), by and through undersigned counsel, pursuant to Rule 25-22.039, Florida Administrative Code, petitions the Florida Public Service Commission (the "Commission") for leave to intervene as a party in this proceeding in support of the petition of Florida Power Corporation ("FPC") for approval of an agreement between that would restructure three of FPC's cogeneration contracts. In support of its Petition, EPME states:

Intervenor Information

1. El Paso Merchant Energy North America Company is a subsidiary of El Paso Energy Corporation, a publicly traded energy company with over \$10 billion of total assets and natural gas transmission, gas gathering and processing, energy marketing, power generation and international energy infrastructure development. EPME's full name and address are:

El Paso Merchant Energy North America Company
1001 Louisiana Street
Houston, TX 77002

DOCUMENT NUMBER DATE

03242 MAR 20 02

FPSC-COMMISSION CLERK

2. EPME intends to form Cedar Brakes IV, LLC ("Cedar Brakes") in the near future. Cedar Brakes will be formed as a limited liability company under the laws of the State of Delaware with its principal office in Houston, Texas. Cedar Brakes will be authorized to transact business in Florida.

3. Copies of pleadings, notices and other documents in this proceeding directed to EPME should be served on:

D. Bruce May
HOLLAND & KNIGHT LLP
P.O. Drawer 810
Tallahassee, Florida 32302

and

Andrew Kidd
Vice President & Associate General Counsel
El Paso Merchant Energy North America
1001 Louisiana Street
Houston, Texas 77002

Statement of Ultimate Facts

4. FPC is a party to two cogeneration contracts served from the Polk Power Partners, L.P. ("Polk") combined cycle 110 MW cogeneration facility located in Polk County, Florida (the "Mulberry Facility"): (1) the March 17, 1991 contract between Royster Phosphates, Inc. and FPC, as amended (the "Royster Contract"); and (2) the March 12, 1991 contract between Mulberry Energy Company and FPC, as amended (the "Mulberry Contract"). The committed capacity under the Royster Contract is 30.8 MW. The committed capacity under the Mulberry Contract is 72.9 MW. Both the Royster Contract and the Mulberry Contract have been assigned to Polk.

5. FPC is also a party to the November 19, 1991 cogeneration contract between CFR Biogen Corporation and FPC, as amended, and later assigned to Orange Cogeneration Limited Partnership (“Orange”) (the “Orange Contract”). The Orange Contract is administered from Orange’s natural gas combined cycle 103 MW cogeneration facility also located in Polk County, Florida (the “Orange Facility”). The committed capacity under the Orange Contract is 74 MW.

6. An EPME affiliate currently has partnership interests in both Polk and Orange.

7. FPC and the soon-to-be-formed Cedar Brakes entity plan to enter into a Master Agreement to Amend and Restate Contracts for the Purchase of Firm Capacity and Energy (the “Agreement”). The Agreement will amend and restate the Royster, Mulberry, and Orange Contracts (collectively, the “Existing Contracts”). Cedar Brakes will acquire the three Existing Contracts by assignment upon consummation of the transaction contemplated herein.

8. The effectiveness of the Agreement is contingent, among other factors, on the issuance of a final, non-appealable order of the Commission approving the amendment of the Existing Contracts by the Agreement for cost recovery purposes, and confirming that the Agreement will be treated the same as an agreement entered into pursuant to PURPA in any Commission proceeding regarding FPC’s stranded costs. Accordingly, on February 25, 2002, FPC filed a petition with the Commission (the “FPC Petition”) requesting that the Commission, on an expedited basis: (a) approve the modification of the Existing Contracts, as amended and

restated by the Agreement, for cost recovery purposes; and (b) provide an assurance that the Agreement will be accorded the same treatment as a contract entered into PURPA in any proceeding regarding FPC's stranded costs.

Substantial Interest Affected

9. EPME has standing to intervene as a party in this proceeding. Intervention in a Commission proceeding is granted to those entities whose substantial interests are subject to determination or will be affected through the proceeding. See Fla. Admin. Code R. 25-22.039. EPME has a direct and substantial interest in the Agreement, which is the subject of this proceeding. First, EPME will form the entity (Cedar Brakes) that will be a specifically named counter-party to the Agreement and thus qualifies as a party pursuant to Section 120.52(12)(a), Florida Statutes. Second, an EPME affiliate currently has a partnership interest in Polk and Orange, both which are parties to the Existing Contracts subject to amendment and restatement by the Agreement. Third, upon consummation of the transaction that is contemplated by the Agreement, Cedar Brakes will acquire the Existing Contracts. Fourth, the Agreement, and the transactions contemplated therein, will not become effective without approval by the Commission as requested in the FPC Petition. Clearly, EPME's substantial interests will be determined in this proceeding. Thus, EPME is entitled to participate as a party.

Disputed Issues of Material Fact

10. EPME is not aware of any disputed issues of material fact at this time.

WHEREFORE, EPME respectfully requests that the Commission:

- (a) grant EPME intervenor status in this proceeding;
- (b) approve, without modification or condition, the FPC Petition in its entirety; and,
- (c) grant such other relief as the Commission deems appropriate.

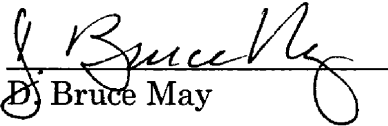
Respectfully submitted,


D. Bruce May
Florida Bar No. 354473
HOLLAND & KNIGHT LLP
P.O. Drawer 810
Tallahassee, Florida 32302
(850) 224-7000

Attorneys for El Paso Merchant
Energy North America Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition for Leave to Intervene was furnished by hand delivery to Robert Elias, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Room 370G – Gunter Building, Tallahassee, Florida 32399-0850, and by U.S. Mail to James A. McGee, Esq., Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042 this 20th day of March, 2002.


D. Bruce May

TAL1 #248767 v1