

ORIGINAL FILED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Expedited Approval of Settlement Agreement by Florida Power Corporation and Ridge Generating Station, L.P..

Docket No. 960604-EQ
Submitted for filing:
July 23, 1996

SUPPLEMENT TO JOINT PETITION

Florida Power Corporation ("FPC"), by and through undersigned counsel, pursuant to Rule 25-22.006, Florida Administrative Code, hereby files this Supplement to its original Joint Petition for Expedited Approval of Settlement Agreement by Florida Power Corporation and Ridge Generating Station, L.P. This Supplement consists of a letter of clarification of the Settlement Agreement between FPC and Ridge Generating Station, L.P. ("Ridge"), which has been submitted in this Docket for approval by the Commission. The letter serves to clarify reference in the Settlement Agreement to the retroactive effect of certain provisions. The clarification has no effect on the tables which were previously submitted to the Commission in the Joint Petition.

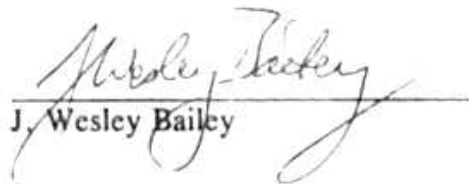
Respectfully submitted,
OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By *James P. Fama*
James P. Fama
J. Wesley Bailey
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (813) 866-5786
Facsimile: (813) 866-4931

DOCKET No. 960604-EQ

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the within document has been served by U.S. Mail on Mr. Ty Quinn, Wheelabrator Ridge Energy, Inc., Ridge Generating Station, 3131 K-Ville Avenue, Auburndale, Florida 34990 and Richard A. Zambo, Richard A. Zambo, P.A., 598 S.W. Hidden River Avenue, Palm City, Florida 34990 on this 23rd day of July, 1996.


J. Wesley Bailey



July 11, 1996

Mr. Rodney Williams,
Plant Manager
Wheelabrator Ridge Energy, Inc.
Ridge Generating Station
3131 K-Ville Avenue
Auburndale, Florida 33823

Re: Settlement Agreement Between Ridge Generating Station and Florida Power Corporation

Dear Mr. Williams,

This letter will clarify and memorialize our mutual understanding as to the "retroactive effect" provisions of the referenced Agreement which, as we have discussed, present some potential for confusion as evidenced by our miscalculation for the months of February and March of 1996. (The Agreement was intended, among other things, to modify and amend the March 1991 Negotiated Contract For The Purchase Of Firm Capacity And Energy From A Qualifying Facility between Ridge Generating Station Limited Partnership (Ridge) and Florida Power Corporation (FPC) (the Contract).

The Agreement stipulates on several occasions that its effect shall be retroactive as of August 9, 1994. (See, for example, the Terms Of Agreement on Page 1, paragraph 7 on Page 5, and paragraph 10 on Page 6.) The sole purpose of the retroactive effect language was to make it clear that the Initial Payment, as defined in paragraph 8 of the Agreement, would be calculated based on energy deliveries from Ridge to FPC beginning August 9, 1994. However, as a result of several "eleventh hour" changes in certain provisions of the Agreement, a potential for confusion may now exist.

More specifically, in paragraph 2 on Page 2, the On-Peak Hours are re-defined by the Agreement as the hours between 11:00 am and 10:00 pm in lieu of those previously specified in the Contract. It was not the intent of the parties to the Agreement that this provision be given retroactive effect, by, for example, recalculating the Ridge facility's On-Peak Capacity Factor for the period subsequent to August 9, 1994. The "new" On-Peak Hours are to be incorporated into calculations only for those periods occurring after the Settlement Date - April 19, 1996. Similarly, in paragraph 3(i) on Page 2, the Agreement's definition of "Coal Price" incorporates a "three month rolling average". It was not the intent of the parties to the Agreement that this provision be given retroactive effect, by, for example incorporating a three month rolling average coal price for any time period prior to the Settlement Date. It was the intent of the parties that the Agreement be retroactive for purposes of energy payment calculations associated with determining the Initial Payment due to Ridge pursuant to paragraph 8 of the Agreement.

If this letter does not accurately reflect your understanding of, and agreement with, our clarification of the Agreement, please notify us of that fact immediately. In the meantime, we will make arrangements to file a copy of this letter as a supplement to our "Joint Petition" to the Florida Public Service Commission. In the event this clarification and/or memorialization of our understanding should be determined to constitute a "modification" of the Agreement, this document shall be deemed to be a written instrument of the type required to effectuate modifications pursuant to paragraph 19 of the Agreement. If you have any questions or comments please let us know.

Sincerely,



Robert D. Dolan
Manager, Cogeneration Contracts
and Administration

g:\dolan\ridge.doc



June 7, 1996

Florida Public Service Commission
Bureau of Records
Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

Attention: Blanca S. Bayo, Director

RE: Docket No. 960604-EQ; "Florida Power Corporation (E1801) Ridge
Generating Station, L. P."

Dear Ms. Bayo:

The City of Lakeland, Department of Electric & Water Utilities requests to be added as an "interested party" to Docket Number 960604-EQ. Please send any information pertaining to this docket to:

Mr. Gary T. Lawrence
Manager of Strategic Planning - A96
501 East Lemon Street
Lakeland, Florida 33801-5079
(941)499-6522

Thank you.

Sincerely,

Gary T. Lawrence
Manager, Strategic Planning

GL:eg

RECEIVED
JUN 17 1996

FPSC-RECORDS/REPORTING