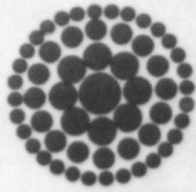


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FILE COPY



**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

March 3, 1997

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 961407-EQ

Dear Ms. Bayó:

Enclosed for filing are the original and 15 copies of Response and Opposition to Petition for Leave to Intervene of Vastar Gas Marketing, Inc. by Florida Power Corporation.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced Response and Opposition in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

- ACK _____
- AFA 2
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG 1
- LEG _____
- LIN 5
- OPC _____
- RCH _____
- SDS 1
- WAS _____
- OTH _____

JAM/kp
Enclosures

DOCUMENT NUMBER-DATE

02332 MAR-45

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.961407-EQ

Submitted for filing:
March 3, 1997

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Response and Opposition to
Petition for Leave to Intervene of Vastar Gas Marketing, Inc. by Florida Power
Corporation has been furnished to the following individuals by regular U.S. Mail
this 3rd day of March, 1997:

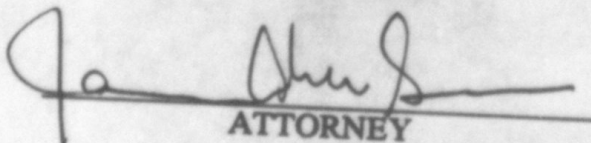
John W. Jimison
Brady & Berkliner, P.C.
1225 Nineteenth Street, N.W.
Suite 800
Washington, DC 20036

D. Bruce May
Karen D. Walker
Holland & Knight, L.L.P.
P.O. Drawer 810
Tallahassee, FL 32302-0810

Sheldon D. Reid
Lake Interest Holdings, Inc.
425 - 1st Street, S.W.
Calgary, Alberta T2P 4V4
CANADA

Ansley Watson, Jr.
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P.O. Box 1531
Tampa, FL 33601

Norma J. Rosner
General Counsel
Vastar Gas Marketing, Inc.
200 Westlake Park Blvd., Suite 200
Houston, TX 77079-2648


ATTORNEY

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.961407-EQ

Submitted for filing:
March 3, 1997

**RESPONSE AND OPPOSITION TO
PETITION FOR LEAVE TO INTERVENE OF
VASTAR GAS MARKETING, INC.**

Florida Power Corporation ("Florida Power"), by and through undersigned counsel, requests that the Commission deny the Petition of Vastar Gas Marketing ("VGM") for leave to intervene in this proceeding and all relief requested by VGM in such Petition, and in opposition and response to such Petition respectfully submits the following:

1. This proceeding involves the request of Florida Power for approval of a settlement (the "Settlement") between it and Pasco Cogen Ltd. ("Pasco"), of certain disputes that have arisen with respect to a Negotiated Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility dated March 13, 1991 (the "PPA") to which Pasco and Florida Power are parties. VGM is not a customer of either Florida Power or Pasco, nor does it appear that VGM carries on any business in the State of Florida. By VGM's own admission, the only basis of its claim of standing in this proceeding is the fact that it sells natural gas to

DOCUMENT NUMBER-DATE
02332 MAR-4 97

another entity, North Canadian Marketing ("NCM"), which in turn sells natural gas to Pasco to fuel Pasco's cogeneration facility. VGM is not in contractual or other privity with either Florida Power or Pasco, and indeed Florida Power has never seen and is not aware of the terms and provisions of the contract which VGM claims exists between itself and NCM. Neither VGM's contract with NCM nor NCM's contract with Pasco are before the Commission, and in its Petition VGM affirmatively asserts that the Commission has no jurisdiction to interpret those contracts or to resolve disputes arising under them.

2. It is VGM's that the amendments to the PPA provided for in the Settlement "threaten" to materially alter VGM's rights under its contract with NCM, so that NCM's consent to such amendments is allegedly required under NCM's contract with Pasco, which has not been obtained. VGM further claims that if the Settlement is approved by the Commission, NCM "may" be unable to meet its obligations to VGM at some point in the future, which "heightens" VGM's risk under its contract with NCM that NCM will breach some provision of that contract. However, VGM does not claim that NCM has failed or refused, or even threatened, not to perform whatever contractual obligations it has to VGM if the Settlement is approved by the Commission.

3. On these speculative claims VGM predicates both its request for leave to intervene in this proceeding and its request that the Commission "refrain" from approving the Settlement until it and NCM have consented to it. VGM has wholly failed to demonstrate that it has sustained or will sustain immediate injury

if the Commission approves the Settlement as requested by Florida Power, nor that any injury it may suffer if the Commission grants Florida Power the relief it seeks is of a type or nature which this proceeding is designed to protect. Therefore, VGM's Petition for Leave to Intervene should be denied. Agrico Chemical Co. v. Dept. of Environmental Regulation, 406 So.2d 478 (2d D.C.A.Fla. 1981), rev.den., 415 So.2d 1359 (Fla. 1982); Village Park Mobile Home Assn., Inc. v. State Dept. of Business Regulation, 506 So.2d 426 (1st D.C.A.Fla. 1987). This Commission has no power to prevent or remedy any future breach of whatever contract VGM may have with NCM. If and when such an event occurs, that matter is properly within the jurisdiction of the civil courts, and only the civil courts can provide VGM a remedy.

4. VGM further asserts that the possibility that the Settlement will affect Pasco's contract with NCM, and NCM's contract with VGM, somehow threatens the fuel supply for and therefore the viability of the Pasco project. Neither Pasco, the owner-operator of the facility that is subject to the PPA, nor NCM, the supplier of natural gas fuel to the Pasco project, has asserted in this proceeding that Pasco's fuel supply is in jeopardy. Therefore, there is simply no fuel supply or project viability issue raised by VGM's petition.

5. VGM asserts, and Florida Power categorically denies, that Florida Power has somehow misrepresented that the Settlement will terminate litigation between it and Pasco to the benefit of Florida Power's ratepayers. VGM is not a party to such litigation, nor does nor could VGM claim that such litigation will not be

terminated as a result of the Settlement. Therefore, there is no misrepresentation on this point. VGM speculates that if its rights under a contract with NCM to which neither Florida Power nor Pasco are parties are breached by NCM, Florida Power might somehow become involved in litigation. Suffice it to say that Florida Power's Petition does not represent that approval of the Settlement will prevent its becoming involved in any future litigation, nor does the possibility that there will be litigation in the future demonstrate that any misrepresentation has been made by Florida Power in its Petition.

6. In summary, VGM's Petition for Leave to Intervene raises no issues of fact which are material to the Commission's consideration of the matters before it in this proceeding, or which would justify the Commission delaying its approval of the Settlement.

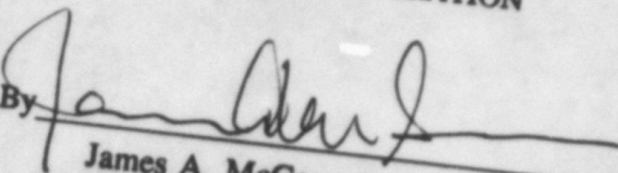
7. Contrary to VGM's assertion, there are no broad policy issues germane to the matters before the Commission in this proceeding. VGM has wholly failed to demonstrate, nor could it, that the Commission's approval of the Settlement will have any precedential bearing on broad policy issues relating to potential restructuring of Florida's electric power industry. Further, even if such policy issues were a part of this proceeding, VGM has neither stated nor demonstrated that it has any stake in or standing with respect to any such policy matters.

WHEREFORE, Florida Power respectfully requests that the Commission deny leave to VGM to intervene in, and its request that the Commission delay this

proceeding, and that it grant Florida Power such other relief as the Commission deems appropriate.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

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