

# CARLTON FIELDS

ATTORNEYS AT LAW

ORIGINAL  
FILE COPY

ONE HARBOUR PLACE  
777 S. HARBOUR ISLAND BOULEVARD  
TAMPA, FLORIDA 33602-5799

MAILING ADDRESS:  
P.O. BOX 3239, TAMPA, FL 33601-3239  
TEL (813) 223-7000 FAX (813) 229-4133

March 27, 1997

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

Re: Docket No. **870096-EQ**

Dear Ms. Bayo:

Enclosed for filing in the subject docket is an original and fifteen copies of a Notice of Filing of Revised Statement of Basic Position together with the Statement of Basic Position.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Thank you for your assistance in this matter.

Very truly yours,

  
Chris Coutroulis

CC:tr  
Enclosures  
cc: Parties of Record

- ACK \_\_\_\_\_
- AFA** \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG 4 \_\_\_\_\_
- LEG 1 \_\_\_\_\_
- LIN 5 \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

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PSC DEPARTMENT OF RECORDS WARD, EMMANUEL SMITH & CUTLER, P.A.  
TAMPA ORLANDO PENSACOLA TALLAHASSEE WEST PALM BEACH  
PSC RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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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

Filing Date:  
March 27, 1997

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**FLORIDA POWER CORPORATION'S NOTICE OF FILING  
REVISED STATEMENT OF BASIC POSITION**

Florida Power Corporation ("FPC"), pursuant to the direction of Staff counsel, hereby files the attached revised Statement of Basic Position for inclusion in FPC's Prehearing Statement in place of the Statement of Basic Position contained in the Prehearing Statement as originally filed by FPC.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

JAMES P. FAMA  
JAMES A. McGEE  
Post Office Box 14042  
St. Petersburg, Florida 33733-4042  
Telephone: (813) 866-5184  
Facsimile: (813) 866-4931

and

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Facsimile: (813) 866-4931

and

CARLTON, FIELDS, WARD, EMMANUEL  
SMITH & CUTLER, P.A.

Chris S. Coutroulis  
Fla. Bar No. 300705  
One Harbour Place  
777 S. Harbour Island Boulevard  
Tampa, Florida 33602-5799  
Telephone: (813) 223-7000  
Facsimile: (813) 229-4133

By: \_\_\_\_\_



James P. Fama

**CERTIFICATE OF SERVICE**

**Docket No.: 970096-EQ**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been communicated via facsimile and sent by regular U.S. mail (Federal Express\*) to the following individuals on March 27, 1997:

D. Bruce May  
Karen D. Walker  
Holland & Knight LLP  
P. O. Drawer 810  
Tallahassee, Florida 32302

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

John W. McWhirter, Jr.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas  
P. O. Box 3350  
Tampa, Florida 33601

Joseph A. McGlothlin  
Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas  
117 South Gadsden Street  
Tallahassee, Florida 32301

Patrick K. Wiggins  
Donna L. Canzano  
Wiggins & Villacorta, P.A.  
501 East Tennessee Street  
Suite B  
Post Office Drawer 1657  
Tallahassee, Florida 32302

Kenton Erwin  
Destec Energy, Inc.  
2500 City West Boulevard  
Suite 150  
Houston, Texas 77042

\*Lorna R. Wagner  
2540 Shumard Oak Boulevard  
Room 370  
Tallahassee, Florida 32399-0850



Attorney

C. STATEMENT OF BASIC POSITION

FPC has a unique opportunity to terminate the Tiger Bay contracts, one of FPC's most expensive capacity and energy sources, and purchase the facility. This transaction will save ratepayers an estimated \$1.9 -- \$2.4 billion (\$203 -- \$388 million on an NPV basis). The contemplated five year recovery of the purchase cost through the Capacity Cost Recovery clause, and recovery of the natural gas fuel costs through the Fuel Adjustment Clause, are appropriate. Such an arrangement reasonably balances the savings for ratepayers, avoids a short-term but substantial rate increase, and avoids unfairly burdening FPC's shareholders through a longer recovery period.