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August 1, 1997

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Christiana T. Moore, Esquire
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Division of Appeals
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0862

Re: FPSC Docket No. ~~981077~~ **981077-EQ**, Petition for Expedited Approval
of Settlement Agreement with Lake Cogen, Ltd., by Florida
Power Corporation

Dear Ms. Moore:

This is in response to your letter of July 23, 1997, regarding the Commission's July 15 vote to review its decision in the above-styled docket to determine whether there was any bias in information presented to the Commission in connection therewith.

As a preliminary matter, as discussed in the Staff's recommendation dated July 11, 1997, Lake Cogen understands the Commission's inquiry to be in connection with the personal relationship between Ms. Lorna Wagner, Esquire, a former FPSC Staff attorney assigned to this docket, and Mr. Robert Dolan, a managerial employee of Florida Power Corporation, as referenced in FPC's Notice of Conflict of Interest filed in this docket on July 8, 1997.

Lake Cogen has no reason to believe that there was any bias, either in favor of Florida Power Corporation or in favor of the Lake Cogen-FPC Settlement Agreement, in any information presented by Ms. Wagner in connection with the Commission's consideration of the Lake Cogen-FPC Settlement Agreement. Lake Cogen is unaware of any information that would indicate the existence of any such bias in any information presented to the Commission by Ms. Wagner in connection with its consideration of Florida Power's petition in this docket, or of any information to indicate that Ms. Wagner withheld any key information from the Commission. Finally, Lake Cogen believes that the very limited information and remarks presented by Ms. Wagner at the June 24 conference were accurate and supported by competent facts and authority.

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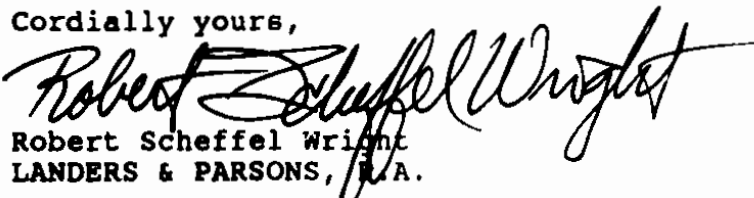
Christiana T. Moore, Esquire
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Lake Cogen believes that no information presented by Ms. Wagner might have (1) affected the Commission's vote to approve the Lake Cogen-FPC Settlement Agreement at its June 24 agenda conference; (2) benefitted Florida Power Corporation; or (3) prejudiced any party or person. In this regard, we note that the competing recommendations both for and against the approval of the Lake Cogen-FPC Settlement Agreement were fully discussed at the agenda conference over a period of nearly two hours.

In summary, Lake Cogen has no knowledge of any information that would, or might, indicate that there was any bias in any information either presented by, or withheld by, Ms. Wagner in connection with the Commission's consideration of the Lake Cogen-FPC Settlement Agreement. Lake Cogen believes that there was, in fact, no bias on Ms. Wagner's part in this docket.

Thank you for your consideration of Lake Cogen's comments with respect to this issue. If you have any questions, please give me a call.

Cordially yours,



Robert Scheffel Wright
LANDERS & PARSONS, P.A.

Counsel for Lake Cogen, Ltd.

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