

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Peoples Gas System)
 for Approval of Modifications to Its) Docket No. 981379-GU
 Gas Transportation and Supply)
 Agreement and Conditions for) Filed: February 19, 1999
 Transportation of Customer-Owned Gas)
 _____)

**LAKE COGEN, LTD.'S PETITION FOR LEAVE TO INTERVENE
 AND REQUEST FOR HEARING**

Lake Cogen, Ltd. ("Lake Cogen"), pursuant to Commission Rules 25-22.039, and 25-22.036(7)(a), Florida Administrative Code, hereby petitions the Commission for leave to intervene as a full party in Docket No. 981879-EU, In Re: Petition of Peoples Gas System for Approval of Modifications to Its Gas Transportation and Supply Agreement and Conditions for Transportation of Customer-Owned Gas, for suspension of the proposed tariff modifications that are the subject of this docket, and for a hearing pursuant to Chapter 120, Florida Statutes. In support of its Petition, Lake Cogen states as follows.

ACK _____
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BACKGROUND

1. The name and address of the Petitioner are:

Lake Cogen, Ltd.
 c/o GPU International, Inc.
 One Upper Pond Road
 Parsippany, New Jersey 07054

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Done 2/25/99

DOCUMENT NUMBER-DATE

02235 FEB 19 99

FPSC-RECORDS/REPORTING

All notices, orders, pleadings and other communications in this docket should be sent to:

Robert Scheffel Wright
John T. LaVia, III
LANDERS & PARSONS, P.A.
310 W. College Ave. (ZIP 32301)
P.O. Box 271
Tallahassee, FL 32302

with courtesy copies sent to:

Sarah Barish-Straus, Esquire
Senior Counsel and Corporate Secretary
GPU International, Inc.
One Upper Pond Road
Parsippany, New Jersey 07054

and

David N. Hicks, Business Manager
Lake Cogen, Ltd.
c/o GPU International, Inc.
One Upper Pond Road
Parsippany, New Jersey 07054

SUBSTANTIAL INTERESTS AFFECTED

2. The subject matter of the instant docket is Peoples Gas System's application to the Commission to modify its Gas Transportation and Supply Agreement ("GTSA"), which is part of Peoples' tariff, and related tariff provisions. As a customer of Peoples Gas System ("Peoples") that obtains gas transportation service pursuant to an executed individual GTSA and Peoples' related tariffs, Lake Cogen's substantial interests -- specifically, what Lake Cogen pays for gas transportation service pursuant to the GTSA and associated tariffs -- will be directly affected by the Commission's actions in this case.

ULTIMATE FACTS WHICH ENTITLE LAKE COGEN TO RELIEF

3. Lake Cogen is a gas transportation customer of Peoples Gas System. Lake Cogen is served pursuant to an executed individual Gas Transportation and Supply Agreement and related provisions of Peoples' tariff, which Peoples proposes to modify. The proposed revisions to Peoples' GTSA and related provisions of Peoples' tariff will adversely affect Lake Cogen's substantial interests. The proposed revisions are inappropriate and will result in unjust and unreasonable rates being paid by Lake Cogen.

4. If Peoples' goal is to eliminate any financial incentive for gas transporters to "game" the monthly imbalance cashout mechanism, Lake Cogen believes there is a more equitable method that will not penalize transporters for failure to perfectly balance their gas takes, while appropriately penalizing those transportation customers who attempt to utilize Peoples as a "supplier of last resort" for financial gain.

DISPUTED ISSUES OF MATERIAL FACT

5. Lake Cogen identifies the following disputed issues of material fact in this docket:

- a. Whether the proposed modifications to the GTSA and tariff provisions relating to monthly imbalance cashouts are appropriate;
- b. Whether the proposed modifications to the GTSA and tariff provisions relating to monthly imbalance cashouts are necessary to prevent abuse by any gas transportation customers or for any other legitimate

purpose;

- c. Whether the proposed modifications to the GTSA and tariff provisions relating to monthly imbalance cashouts are fair, just, and reasonable;
- d. Whether Peoples is experiencing, or has experienced, adverse financial or economic effects as a result of gas supply imbalances caused by gas transportation customers;
- e. Whether the proposed modifications to the GTSA and tariff provisions relating to monthly imbalance cashouts more accurately reflect the costs incurred by Peoples when imbalances occur;
- f. Whether Peoples has incurred penalty charges caused by imbalances between gas delivered into Peoples' system and gas consumed by gas transportation customers;
- g. Whether the proposed modifications to the GTSA and tariff provisions relating to monthly imbalance cashouts will provide proper and economically correct incentives to gas transportation customers and to Peoples;
- h. Whether the proposed revisions relating to compensation for gas used by Peoples during curtailment are fair, just, and reasonable;
- i. Whether unauthorized underburns by gas transportation have caused Peoples to incur additional costs for which Peoples has not otherwise been compensated;

- j. Whether the proposed penalty for unauthorized underburns accurately reflects the incremental costs, if any, incurred by Peoples when such alleged underburns occur;
- k. Whether the proposed penalty for unauthorized underburns is fair, just, and reasonable; and
- l. Whether all other factual allegations contained in Peoples' petition are true.

Lake Cogen reserves the right to raise additional issues of material fact in this docket as they become known.

STATUTES AND RULES THAT ENTITLE PETITIONER TO RELIEF

6. The following statutes and rules entitle Lake Cogen to the relief requested herein: Chapters 120 and 366, Florida Statutes, and Chapters 25-6, 25-22, and 28-106, Florida Administrative Code.

RELIEF REQUESTED

WHEREFORE, Petitioner, Lake Cogen, Ltd. requests that the Commission:

1. grant Lake Cogen, Ltd. full party intervenor status in Commission Docket No. 981879-GU as prayed herein;
2. suspend Peoples' proposed modifications to its Gas Transportation Supply Agreement and associated tariffs pursuant to Section 366.06(3), Florida Statutes; and
3. set this matter for hearing pursuant to Section 120.569 and 120.57(1), Florida Statutes.

Respectfully submitted this 19th day of February, 1999.



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Attorneys for Lake Cogen, Ltd.

CERTIFICATE OF SERVICE
DOCKET NO. 981890-EU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by hand delivery (*) or by United States Mail, postage prepaid, on the following individuals this 19th day of February, 1999:

William Cochran Keating*
Florida Public Service Commission
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Gunter Building
Tallahassee, Florida 32399

Ms. Angela Llewellyn
Peoples Gas System
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Tampa, Florida 33601-2562

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