STEEL HECTOR DAVIS

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September 17, 1998

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Matthew M. Childs. P.A.

Blanca S. Bayó, Director Division of Records and Reporting Florida Public Service Commission 4075 Esplanade Way, Room 110 Tallahassee, FL 32399-0850

RE: DOCKET NO. 980001-EI

In compliance with Commission Order No. 13694 in Docket

No. 840001-EI dated September 20, 1984, this letter is to

Dear Ms. Bayó:

ACK .

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advise the Commission that FPL's actual fuel underrecovery for the period April through August 1998 is \$119 million which exceeds 10% of the projected fuel costs for the current April through December 1998 recovery period. The \$119 million underrecovery is caused primarily by higher than projected use of oil and gas resulting from the extreme hot weather from April through August 1998. FPL is not requesting a midcourse correction to change the current fuel charge at this time. FPL believes it would be more appropriate to wait until the new fuel factors are established for implementation commencing January 1, 1999. Due to the size of the underrecovery, it should be spread over a period longer than the approximately two months remaining in this current period. The actual trueup amounts through August 1998 have been incorporated in factors proposed to be effective for the calendar year 1999. These factors will be part of the filing that FPL will make on October 5, 1998.

> Taflahassee Key West Caracas

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For information purposes, FPL also wishes to note that there is an offsetting \$13.5 million overrecovery in the Fuel Clause for the period ending March 1998 and, as of August 1998, a \$75.1 million overrecovery in the Capacity Clause. The actual true-up amounts through August 1998 for all clauses (fuel, capacity, environmental and conservation) to be carried forward to the January through December 1999 period is an underrecovery of \$31.7 million. The detail is provided below:

ALL CLAUSES - ESTIMATED AS OF AUGUST 1998

TRUE-UP TO BE CARRIED FORWARD TO JAN 99 - DEC 99

FUEL	\$(105.50)		UNDERRECOVERY
CAPACITY	\$	75.10	OVERRECOVERY
ENVIRONMENTAL	\$	0.80	OVERRECOVERY
CONSERVATION	S	(2.10)	UNDERRECOVERY
TOTAL:	\$	(31.70)	UNDERRECOVERY

Very truly yours,

Matthew M. Childs, P.A.

MMC/ml

cc: All Parties of Record