



**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

November 30, 1998

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. 980002-EG; Florida Power Corporation
Audit Report - Conservation - Six-month Period Ended
March 31, 1998; Audit Control No. 98-173-2-2.

Dear Ms. Bayó:

Florida Power concurs with the findings in the subject audit report. The Company would like to clarify, however, that the advertising costs in question relate solely to the most recent October 1997 - March 1998 audit period addressed by the report and not to any prior audit period, contrary to the comment under the heading *Expenses* on page 2 of the report that "noted advertising costs were not adjusted as recommended in a prior audit disclosure."

In addition, Florida Power has reviewed the *Elder Update* newspaper referenced on page 3 of the audit report and has determined that no allocation should be made to the ECCR for the costs associated with this publication. Accordingly, the \$5,000 allocation to the ECCR will be reversed.

In summary, Florida Power will make the necessary adjustments to remove \$57,292 (\$52,292 + \$5,000), plus interest, from recoverable ECCR expenses on its November books and records.

Very truly yours

James A. McGee

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GENERAL OFFICE

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