

2001 SEP 26 AM 8:47

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September 24, 2001

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Re: Docket No. 010001-EI

Pursuant to Commission Order No. 13694, issued September 20, 1984 as reaffirmed by Order No. PSC-98-0691-FOF-PU, issued May 19, 1998, Gulf Power Company submits this letter, with regard to Gulf's fuel and purchased power (energy) costs for the period ending December 31, 2001, to inform the Commission, the Staff, and the intervenors that a greater than ten percent under-recovery is now projected to occur. Based on actual data through August 2001, the Company now projects an under-recovery by period end of 13.5 percent.

In light of timing and other considerations, Gulf is not requesting a mid-course correction of its fuel cost recovery factors. Instead, pursuant to the orders cited above this letter is submitted in lieu of a request for hearing. Without a mid-course change in the factors, any actual under-recovery at period end will be addressed through the true-up mechanism. The timing and other considerations that have led Gulf not to request a mid-course correction include: (1) the timing is such that less than three months of the current cost recovery cycle would remain before any change in fuel cost recovery factors could be implemented; (2) the relatively mild weather that is currently being experienced in northwest Florida could reduce the actual under-recovery by period end; and (3) a change in factors in November followed by another change in January would be disruptive to Gulf's customers.

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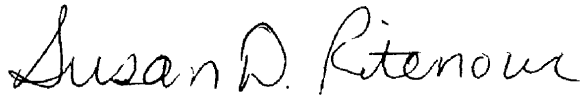
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FISC-COMMISSION CLERK

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If any additional information is needed regarding this notice, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

cc: Honorable Lila A Jaber, Prehearing Officer
W. Cochran Keating, Esquire
Todd Bohrman
Parties of Record