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Jack L. Haskins  
Manager of Rates and Regulatory Matters  
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ORIGINAL  
FILE COPY

*the southern electric system*

November 16, 1995

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 950002-EG

Enclosed for official filing in the above referenced docket  
are an original and fifteen (15) copies of the Prepared Direct  
Testimony and Exhibits of Margaret D. Neyman.

Sincerely,

*Jack L. Haskins*

ACK

AFA

APP  Enclosure

CC  cc: Beggs and Lane

EST  J. A. Stone, Esq.

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FLORIDA PUBLIC  
SERVICE COMMISSION

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery )

) Docket No. 950002-EG

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 16th day of November 1995 to the following:

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**GULF POWER COMPANY**

**DIRECT TESTIMONY OF  
MARGARET D. NEYMAN**

**DOCKET NO. 950002-EG**

**NOVEMBER 17, 1995**

Gulf Power Company

Before the Florida Public Service Commission  
Prepared Direct Testimony of  
Margaret D. Neyman  
Docket No. 950002-EG  
November 17, 1995

1  
2  
3  
4  
5 Q. Will you please state your name, business address,  
6 employer and position?

7 A. My name is Margaret D. Neyman and my business address is  
8 500 Bayfront Parkway, Pensacola, Florida 32501. I am  
9 employed by Gulf Power Company as the Marketing Services  
10 Manager.

11  
12  
13 Q. Ms. Neyman, for what purpose are you appearing before  
14 this Commission today?

15 A. I am testifying before this Commission on behalf of Gulf  
16 Power Company regarding matters related to the Energy  
17 Conservation Cost Recovery Clause, specifically the  
18 approved programs for October, 1994, through September,  
19 1995.

20  
21  
22 Q. Are you familiar with the documents concerning the  
23 Energy Conservation Cost Recovery Clause and its related  
24 true-up and interest provisions?

25 A. Yes, I am.

1 Q. Have you verified, that to the best of your knowledge  
2 and belief, this information is correct?

3 A. Yes, I have.

4 Counsel: We ask that Ms. Neyman's exhibit consisting of  
5 6 Schedules be marked for identification as:  
6 Exhibit No. \_\_\_\_ (MDN-1)

7  
8  
9 Q. Would you summarize for this Commission the deviations  
10 resulting from the actual expenditures for this recovery  
11 period and the original estimates of expenses?

12 A. The budgeted expenses for the entire recovery period  
13 October, 1994, through September, 1995, were \$2,172,677,  
14 while the actual costs were \$2,364,331 resulting in a  
15 variance of \$191,654 or 8.8 percent over budget.

16  
17  
18 Q. Ms. Neyman, would you explain this variance during the  
19 October, 1994, through September, 1995 time-frame?

20 A. Yes, the major reasons for this variance are increased  
21 expenses in EA/TAA, over \$205,274; Gulf Express, over  
22 \$17,152; Transtext, over \$6,857; and HVAC Tune-up, over  
23 \$4,829. Two additional programs were approved for this  
24 period in Gulf's Conservation Plan but the two programs  
25 were not included in the January, 1995, projection.

1           These two programs are In Concert With The Environment  
2           and the Good Cents Environmental Home. Because these  
3           programs were not approved at the time of the January,  
4           1995, projection filing, they reflect over budget  
5           amounts of \$138,933 and \$35,557 respectively. However,  
6           decreased expenses in Research and Development, under  
7           \$176,040; Energy Audits, under \$26,541; Blower Door,  
8           under \$10,269; Good Cents Buildings, under \$4,045; and  
9           Heat Pipe, under \$53, offset these expenses to some  
10          degree, resulting in the previously referenced variance  
11          of \$191,654 over budget. A more detailed description of  
12          the deviations are contained in Schedule CT-6.

13  
14  
15       Q.    Would you describe the results of your programs during  
16           the October, 1994, through September, 1995, recovery  
17           period?

18       A.    A more detailed review of each of the programs is  
19           included in my Schedule CT-6. The following is a  
20           synopsis of the accomplishments during this recovery  
21           period.

22           (1) Home Energy Audits - During this period, we  
23           projected to audit 3,200 structures. We actually  
24           completed 3,059. This program continues to be well  
25           accepted and is essentially on goal for this

1 period.

2 (2) Energy Audits and Technical Assistance Audits -

3 During this recovery period, a total of 310 EA/TAA  
4 were completed.

5 (3) Good Cents Building - During this recovery period a

6 total of 181 buildings were built or improved to  
7 Good Cents standards, compared to a budget of 379  
8 or 198 units below goal.

9 (4) Gulf Express Loan Program - During this recovery

10 period, a total of 305 loans were completed  
11 compared to a budget of 295 or 10 loans above the  
12 goal.

13 (5) Pilot Programs - HVAC Duct and Infiltration Program

14 (Blower Door), HVAC Tune-Up Program, Heat Pipe and  
15 Transtext Programs were pilots for this period and  
16 their status is detailed in Schedule CT-6.

17 (6) Conservation Demonstration and Development - Nine

18 research projects have been identified and are  
19 detailed in Schedule CT-6.  
20

21  
22 Q. Have any new programs been implemented during the  
23 recovery period, October, 1994 through September, 1995?

24 A. Yes. There were two program implemented in this true-up  
25 period.

1 (1) In Concert With The Environment - Is an  
2 environmental and energy awareness program that is  
3 being implemented in the 8th and 9th grade science  
4 classes. The program shows students how everyday  
5 energy use impacts the environment and how using  
6 energy wisely increases environmental quality.

7 (2) Good Cents Environmental Home - Provides  
8 residential customers with guidance concerning  
9 energy and environmental efficiency in new  
10 construction. The program promotes energy-  
11 efficient and environmentally sensitive home  
12 construction techniques by evaluating over 500  
13 components in six categories of design construction  
14 practices.

15  
16  
17 Q. Ms. Neyman, what was Gulf's adjusted net true-up for the  
18 period October, 1994, through September, 1995?

19 A. There was an under-recovery of \$162,056 as shown on  
20 Schedule CT-1, page 1.

21  
22  
23 Q. Ms. Neyman, does this conclude your testimony?

24 A. Yes, it does.  
25

INDEX

Schedule Number	Title	Pages
CT-1	Adjusted net True-Up, October, 1994, through September, 1995	1
CT-2	Analysis of Energy Conservation Program Costs	2
CT-3	Energy Conservation Adjustment	3 - 7
CT-4	Schedule of Capital Investments, Depreciation and Return	8
CT-5	Reconciliation and Explanation of Differences Between Filing and Audit	9
CT-6	Program Descriptions and Progress Reports	10 - 23

GULF POWER COMPANY

ADJUSTED NET TRUE-UP

For the Period: October, 1994 Through September, 1995

1. Principal	85,718.28	
2. Interest	<u>5,588.51</u>	
Less Projected True-up		\$91,306.79
February Hearing Conservation Factor		
3. Principal	(70,182.57)	
4. Interest	<u>(566.60)</u>	<u>(\$70,749.17)</u>
5. Adjusted Net True-up		<u>\$162,055.96</u>

GULF POWER COMPANY

Schedule CT-2  
November 17, 1995  
Page 1 of 1

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL Vs ESTIMATED  
For the Period: October, 1994 Through September, 1995

	Actual	Projected	Difference
	\$	\$	\$
1. Capital Investment	0.00	0.00	0.00
2. Payroll & Benefits	1,361,160.79	1,185,002.00	176,158.79
3. Materials & Supplies	703,885.82	416,953.00	286,932.82
4. Outside Services	0.00	87,903.00	(87,903.00)
5. Advertising	248,215.35	401,275.00	(153,059.65)
6. Incentives	0.00	0.00	0.00
7. Vehicles	38,962.16	57,609.00	(18,646.84)
8. Other	12,107.00	23,935.00	(11,828.00)
9. SUBTOTAL	2,364,331.12	2,172,677.00	191,654.12
10. Program Revenues	0.00	0.00	0.00
11. TOTAL PROGRAM COSTS	2,364,331	2,172,677	191,654
12. Less: Payroll Adjustment	0.00	0.00	0.00
13. Amounts Inc. in Base Rate	0.00	0.00	0.00
14. Conservation Adjustment Revenues	2,180,227.89	2,144,474.63	35,753.26
15. Rounding Adjustment	2,180,228	2,144,475	35,753.00
16. True-up Before Adjustment	184,103	28,202	155,901.00
17. Interest Provision	5,589	(628)	6,216.82
18. Prior Period True-up	(98,385)	(98,385)	0.00
19. Deferred True-up Prior Period	0	0	0
20. End of Period True-up	91,307	(70,811)	162,118

GULF POWER COMPANY

CONSERVATION COSTS Per PROGRAM  
 VARIANCE ACTUAL Vs PROJECTED  
 For the Period: October, 1994 Through September, 1995

	Capital Investment	Payroll & Benefits	Materials & Expenses	Advertising	Incentives	Outside Services	Vehicles	Other	Sub-Total	Program Revenues	Total
1. Residential Energy Audit	0.00	40,413.89	(20,759.74)	(35,865.53)	0.00	(4,126.00)	(5,803.44)	(400.00)	(26,540.82)	0.00	(26,540.82)
2. Comm/ind Good Cents Building	0.00	62,856.93	4,328.71	(59,026.24)	0.00	(8,523.00)	(3,681.56)	0.00	(4,045.16)	0.00	(4,045.16)
3. Comm/ind E.A. & T.A.A.	0.00	12,459.04	275,171.25	24,143.12	0.00	(70,975.00)	(11,988.49)	(23,535.00)	205,273.92	0.00	205,273.92
4. Heat Pipe	0.00	(53.48)	0.00	0.00	0.00	0.00	0.00	0.00	(53.48)	0.00	(53.48)
5. Transtest	0.00	0.00	5,488.51	0.00	0.00	0.00	1,368.46	0.00	6,856.97	0.00	6,856.97
6. Gulf Express	0.00	(526.66)	104,978.85	(82,508.00)	0.00	(4,278.00)	(512.80)	0.00	17,152.39	0.00	17,152.39
7. Slower Door	0.00	(2,391.06)	(7,877.88)	0.00	0.00	0.00	0.00	0.00	(10,268.94)	0.00	(10,268.94)
8. HVAC Tune-up	0.00	4,828.81	0.00	0.00	0.00	0.00	0.00	0.00	4,828.81	0.00	4,828.81
9. Research & Development	0.00	(2,387.00)	(185,788.50)	0.00	0.00	0.00	28.49	12,107.00	(176,040.01)	0.00	(176,040.01)
10. In Concert with the Environment	0.00	33,430.78	104,617.75	0.00	0.00	0.00	1,484.55	0.00	138,933.08	0.00	138,933.08
11. Good Cents Environmental	0.00	27,527.54	7,373.87	198.00	0.00	0.00	457.95	0.00	35,557.36	0.00	35,557.36
	0.00	176,158.79	286,932.82	(153,059.65)	0.00	(87,903.00)	(18,646.84)	(11,828.00)	191,654.12	0.00	191,654.12

03

GULF POWER COMPANY

CONSERVATION COSTS Per PROGRAM  
 ACTUAL EXPENSES  
 For the Period: October, 1994 Through September, 1995

Actual	Capital Investment	Payroll & Benefits	Materials & Expenses	Advertising	Incentives	Outside Services	Vehicles	Other	Sub-Total	Program Revenues	Total	
1. Residential Energy Audit	0.00	348,604.89	7,972.26	196,088.47	0.00	0.00	13,341.56	0.00	566,007.18	0.00	566,007.18	
2. Comm/ind Good Cents Building	0.00	327,442.93	14,982.71	27,785.76	0.00	0.00	8,490.44	0.00	378,691.84	0.00	378,691.84	
3. Comm/ind E.A. & T.A.A.	0.00	584,200.04	297,687.25	24,143.12	0.00	0.00	13,565.51	0.00	919,615.92	0.00	919,615.92	
4. Heat Pipe	0.00	(53.48)	0.00	0.00	0.00	0.00	0.00	0.00	(53.48)	0.00	(53.48)	
5. Transit	0.00	0.00	36,268.51	0.00	0.00	0.00	1,368.46	0.00	37,636.97	0.00	37,636.97	
6. Gulf Express	0.00	32,054.34	205,319.85	0.00	0.00	0.00	205.20	0.00	237,579.39	0.00	237,579.39	
7. Blower Door	0.00	3,124.94	52.12	0.00	0.00	0.00	0.00	0.00	3,177.06	0.00	3,177.06	
8. HVAC Tune-up	0.00	4,828.81	0.00	0.00	0.00	0.00	0.00	0.00	4,828.81	0.00	4,828.81	
9. Research & Development End Use Profiling Geothermal Heat pump FOG Desiccant Dehum. H. P. Energy Education Commercial Technology P.J.C. Slinky Loop Mat H. P. Dunes	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	30,231.50 1,917.65 8.87 5,627.00 1,056.95 0.00 0.00 20,089.92 1,531.11 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	28.49 28.49 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	12,107.00 0.00 0.00 0.00 652.20 8,608.13 2,845.67 0.00 0.00 0.00 0.00	42,366.99 1,946.14 8.87 5,627.00 1,709.15 8,608.13 2,845.67 20,089.92 1,531.11 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	42,366.99 1,946.14 8.87 5,627.00 1,709.15 8,608.13 2,845.67 20,089.92 1,531.11 0.00 0.00
10. In Concert with the Environment	0.00	33,430.78	104,017.75	0.00	0.00	0.00	1,484.55	0.00	138,933.08	0.00	138,933.08	
11. Good Cents Environmental	0.00	27,527.54	7,373.87	198.00	0.00	0.00	457.95	0.00	35,557.36	0.00	35,557.36	
	0.00	1,361,160.79	703,885.82	248,215.35	0.00	0.00	38,982.16	12,107.00	2,364,331.12	0.00	2,364,331.12	

GULF POWER COMPANY

CONSERVATION COSTS Per PROGRAM  
 SUMMARY OF EXPENSES BY PROGRAM MONTH  
 For the Period October, 1994 Through September, 1995

PROGRAMS	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. Residential Energy Audits	54,332.25	84,271.05	50,816.22	31,200.07	38,702.75	48,088.87	28,199.00	40,430.73	58,218.93	64,187.51	23,541.87	44,017.03	568,007.18
2. Commercial Good Cents Blog	30,024.05	27,443.10	32,447.16	32,204.51	29,587.73	30,308.80	28,705.82	32,517.30	29,809.41	38,032.58	18,803.89	43,013.49	378,681.84
3. Commercial E.A. & T.A.A.	60,236.42	56,441.17	64,433.46	78,881.86	68,849.26	108,818.20	90,391.48	95,861.30	66,600.14	68,421.51	66,092.32	65,708.80	919,815.82
4. Heat Pipe	(53.46)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(53.46)
5. Transit	2,231.01	2,408.51	3,531.47	5,024.13	3,353.91	3,187.58	3,657.95	5,379.81	2,788.23	2,688.08	3,100.81	237.58	37,538.87
6. Gulf Express	17,471.55	44,054.37	32,089.49	3,768.89	18,508.12	21,000.59	3,148.48	20,426.72	23,105.03	18,748.08	32,018.58	5,180.83	237,579.39
7. Blower Door	1,047.29	1,013.81	1,131.82	247.12	(314.90)	0.00	0.00	0.00	0.00	0.00	0.00	82.12	3,177.05
8. HVAC Tune Up	1,819.33	1,588.86	1,747.53	261.32	(486.23)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,028.81
9. Research & Development	90.37	0.00	98.11	1,803.25	0.00	0.00	5,827.00	28.49	6,597.27	8,896.47	14,510.17	3,817.88	42,368.99
End Use Profiling	68.07	0.00	91.54	1,803.25	0.00	0.00	0.00	28.49	0.00	0.00	104.79	32.00	1,948.14
Greenham Heat Pump	4.30	0.00	4.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
FCS	0.00	0.00	0.00	0.00	0.00	0.00	5,827.00	0.00	0.00	0.00	0.00	0.00	5,827.00
Decorative Ceiling, H. P.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.81	0.00	272.13	508.29	913.82	1,708.15
Energy Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,947.94	0.00	895.23	1,729.06	1,008.90	8,608.13
Commercial Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,832.52	286.69	572.93	303.03	2,845.87
PJC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,334.52	11,015.00	780.00	20,089.52
Stilly Leap Mat H. P.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	247.50	582.00	701.81	1,531.11
Dunes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	90.37	0.00	98.11	1,803.25	0.00	0.00	5,827.00	28.49	6,597.27	8,896.47	14,510.17	3,817.88	42,368.99
10. In Concert with the Environment	8,856.77	81.06	16,776.95	35,781.42	26,527.23	6,589.68	24,187.42	8,505.08	2,582.47	3,501.15	2,318.21	3,171.66	138,933.08
11. Good Cents Environmental	0.00	1,533.39	59.39	2,168.74	3,487.51	3,889.80	3,387.24	3,553.18	3,658.45	3,402.82	6,970.26	3,840.08	35,857.36
Reversible Conservation Expenses	180,881.66	218,881.12	203,129.60	188,301.01	186,023.38	223,034.62	177,292.29	206,792.39	214,537.80	227,488.18	167,041.09	169,099.95	2,364,331.12

GULF POWER COMPANY

ENERGY CONSERVATION ADJUSTMENT  
 For the Period: October, 1994 through September, 1995

Conservation Revenues	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. a. Residential Conservation Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. (Other Fees)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Conservation Adjustment Revenues	162,846.71	144,207.15	171,623.32	181,824.15	147,901.07	158,579.64	143,532.81	179,400.18	218,516.87	225,034.29	225,101.07	188,907.79	2,144,474.63
3. Total Revenues	162,846.71	144,207.15	171,623.32	181,824.15	147,901.07	158,579.64	143,532.81	179,400.18	218,516.87	225,034.29	225,101.07	188,907.79	2,144,474.63
4. Adjustment not Applicable to Period - Prior True Up	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	4,994.48	4,994.48	4,994.48	4,994.48	4,994.48	4,994.48	(28,379.79)
5. Conservation Revenues Applicable to Period	151,455.60	132,816.04	160,232.21	170,433.04	136,509.96	145,188.53	148,527.29	184,394.64	221,511.15	230,028.77	230,095.55	194,902.27	2,106,094.85
6. Conservation Expenses (Form CT-3 Page 8)	160,861.56	218,861.12	177,293.00	177,293.00	177,293.00	177,293.00	177,293.00	177,293.00	177,293.00	177,293.00	177,293.00	177,293.00	2,172,877.50
7. True Up this Period (Line 5 minus Line 6)	(29,425.96)	(86,045.08)	(17,060.79)	(8,859.96)	(40,783.04)	(32,104.47)	(28,765.71)	7,101.64	44,218.15	52,735.77	52,802.55	17,609.27	(66,882.65)
8. Interest Provision this Period (Page 10, Line 10)	373.85	192.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	666.60
9. True Up & Interest Provision Beginning of Month	68,364.04	80,723.04	6,382.72	593.04	5,124.19	(24,287.74)	(44,381.19)	(78,741.49)	(76,854.33)	(37,410.69)	10,330.83	58,138.70	96,394.94
10. Prior True Up Collected or Refunded	11,391.11	11,391.11	11,391.11	11,391.11	11,391.11	11,391.11	(4,994.48)	(4,994.48)	(4,994.48)	(4,994.48)	(4,994.48)	(4,994.48)	30,379.79
End of Period Net True Up	60,723.04	6,292.72	593.04	5,124.19	(24,287.74)	(44,381.19)	(78,741.49)	(78,834.33)	(77,410.69)	10,330.83	58,138.70	70,749.49	70,749.49

## GULF POWER COMPANY

ENERGY CONSERVATION ADJUSTMENT  
For the Period: October, 1994 through September, 1995

Interest Provision	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. Beginning True up Amount	96,384.94	80,723.94	6,262.72	593.04	5,124.19	(24,267.74)	(44,961.10)	(78,741.49)	(76,634.33)	(37,410.66)	10,330.63	58,138.70	
2. Ending True up before Interest	80,350.09	6,069.97	593.04	5,124.19	(24,267.74)	(44,961.10)	(78,741.49)	(76,634.33)	(37,410.66)	10,330.63	58,138.70	70,749.49	
3. Total beginning & ending	178,735.03	86,793.91	6,855.76	5,717.23	(19,143.55)	(89,248.84)	(123,722.59)	(155,375.82)	(114,044.99)	(27,080.03)	68,469.33	128,888.19	
4. Average True up Amount	89,367.52	43,398.98	3,427.88	2,858.61	(9,571.78)	(34,624.42)	(61,961.30)	(77,687.91)	(57,022.50)	(13,540.01)	34,234.67	64,444.10	
5. Interest Rate First Day Reporting Business Month	5.0400	5.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
6. Interest Rate First Day Subsequent Business Month	5.0000	5.6600	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
7. Total of Lines 5 and 6	10.0400	10.6600	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
8. Average Interest rate (50% of Line 7)	5.0200	5.3300	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
9. Monthly Average Interest Rate Line 8 x 12	0.004183	0.004442	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
10. Interest Provision (line 4 X 9)	373.85	192.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	566.60

GULF POWER COMPANY

Schedule of Capital Investments Depreciation and Return  
Actual for Months October, 1994, through September, 1995.

NOT APPLICABLE

GULF POWER COMPANY

Reconciliation and Explanation of  
Differences Between Filing and FPSC Audit  
Report for Months, October, 1994, through September, 1995

(If no differences exist, please state.)

NO DIFFERENCES

Program Description and Progress

Program Title: Home Energy Audits

Program Description: This program consists of two types of audits: (1) Class A Energy Conservation Audits and (2) Centsable Energy Checks a walk-through audit. Both of these audits are performed on-site and involve assisting the customer in upgrading the thermal and equipment efficiencies in their homes as well as lifestyle measures and low or no cost improvements.

Program Accomplishments: 3,200 residential energy audits were forecasted to be completed compared to 3,059 actual audits completed for a difference of 141 audits. The number of audits conducted is essentially on budget.

Program Fiscal Expenditures: Forecasted expenses were \$592,548 compared to actual expenses of \$566,007 resulting in a deviation of \$26,541 under budget. Expenditure for this program is under budget due to fewer customers requesting audits during Hurricane Erin restoration period.

Program Progress Summary: Since the approval of this program Gulf has performed 117,740 residential energy audits. This is a result of Gulf's promotional campaign to solicit energy audits as well as the overall rapport established with its customers as the "energy experts" in Northwest Florida.

Program Description and Progress

Program Title: Good Cents Building

Program Description: This program is designed to educate non-residential customers on the most cost-effective methods of designing new and improving existing buildings. The program stresses efficient heating and cooling equipment, improved thermal envelope, operation and maintenance, lighting, cooking and water heating. Field representatives work with architects, engineers, consultants, contractors, equipment suppliers and building owners and occupants to encourage them to make the most efficient use of all energy sources and available technologies.

Program Accomplishments: Our goal during the current period was 379 installations compared to actual installations of 181 for a difference of 198 below goal. The deficit is attributed to a decrease in new construction of commercial buildings. Also, program standards have been increased since the projections were made and fewer buildings now qualify under the new standards.

Program Fiscal Expenditures: Forecasted expenses were \$382,727 compared to actual expenses of \$378,682 for a deviation of \$4,045 under budget. The deviation is primarily due to a significant decrease in the number of Good Cents Buildings. However, that decrease in expenses is offset somewhat by an increase in labor and materials due to customers requesting more detailed information regarding the Good Cents Building program.

Program Progress Summary: A total of 6,715 commercial/industrial buildings have qualified for the Good Cents designation since the program was developed in 1977.

Program Description and Progress

Program Title: Energy Audits and Technical Assistance Audits

Program Description: This program is designed to provide professional advice to our existing commercial customers on how to reduce and make the most efficient use of energy. This program covers the smallest commercial customer, requiring only a walk-through survey, to the use of computer programs which will simulate several design options for very large energy intensive customers. The program is designed to include six month and annual follow-ups with the customer to verify any conservation measures installed and to reinforce the need to continue with more conservation efforts.

Program Accomplishments: During the twelve month period ending September, 1995, our goal was 645 while actual results were 310 for a difference of 335 below goal. This difference is attributed to three general factors: 1.) General conservation issues are discussed with the customer under the Customer Interface Program; 2.) Audits concentrate on more indepth information regarding energy usage; and 3.) Fewer customer requests for Energy Audits due to Hurricane Erin disrupting business and causing damage.

Program Fiscal Expenditures: Forecasted expenses were \$714,342 compared to actual expenses of \$919,616 for a deviation of \$205,274 over budget. This program is over budget due to increased contract consulting for TAA activity. Also, the customers requesting audits requested more information and assistance to meet their energy conservation needs.

Program Progress Summary: A total of 10,153 EA/TAA's have been completed since the program started in January, 1981. These audits have ranged from basic walk-through type for some commercial customers to sophisticated technical assistance audits for other commercial customers.

### Program Description and Progress

Program Title: Heat Pipe Dehumidification Program (Pilot)

Program Description: This program is designed to provide field validations for the conservation and cost-effectiveness assumptions resulting from the impact of heat pipe dehumidification technology in the Commercial sector. The application of heat pipes around the air conditioning cooling coil can result in reducing the equipment size requirements for customers whose operation requires a low relative humidity (below 55% R.H.) while enhancing equipment performance. The expected results include a reduction in weather-sensitive peak demand and energy consumption. Additional demand and energy savings may result from reduced usage, or elimination of delivery air reheating equipment.

Program Accomplishments: This program is essentially completed. A draft report has been compiled with a portion of the ending data yet to be delivered from the consultant. Final reports should be completed within the first quarter of 1996.

Program Fiscal Expenditures: Program expenses were forecasted at \$0 for the period compared to actual expenses of -\$53. Because there is a \$300,000 cap for the program, we recovered only a portion of the total expenses in the November, 1994, true-up filing. One of the journal entries needed to keep the recoverable amount within the \$300,000 cap was booked in this period resulting in the negative balance for the recovery period. The Heat Pipe Dehumidification Program (Pilot) essentially ended on budget.

### Program Description and Progress

Program Title: Transtext - Advanced Energy Management System (Pilot)

Program Description: This program was developed to encourage energy management by providing customers with an advanced energy management system that allows the homeowner to control their heating, air conditioning and water heating in response to variable pricing. At the heart of this program is the Transtext Advanced Energy Management System and an innovative variable energy pricing rate schedule.

The experimental rate schedule allows the price of electric energy to vary during the day and by season in relation to the Company's cost of producing or purchasing that energy. The Transtext System allows the customers to make choices and improve the control of electric energy consumption. These choices will be made in response to the different prices for electric energy at different times of the day and season, thus providing customers greater understanding and control of their energy consumption and monthly bills.

Program Accomplishments: This program was completed in the test phased in the last quarter of 1993. Most of the customers who had the test equipment installed at their house and were on the variable rate (Rate Schedule RSVP) have chosen to stay on the program. Favorable results in both customer satisfaction and energy and demand savings have been identified.

The KW demand savings during both winter and summer peak periods was very positive. The weather-normalized winter peak reduction in 1993 was 3.0 KW while the weather-normalized summer peak demand reduction in 1993 was 2.2 KW per household.

Program Fiscal Expenditures: Program expenses were forecasted at \$30,780 compared to actual expenses of \$37,637 for a deviation of \$6,657 over budget. These expenses were incurred to maintain the current customer equipment until the present Transtext customers can be converted to the new Advanced Energy Management program.

Program Description and Progress

Program Title: Gulf Express Loan Program

Program Description: The objective of this program is to encourage and achieve energy conservation. The program provides below market interest rates by participating banks to customers as an incentive to install energy conservation features in their homes.

Program Accomplishments: There were 295 loans forecasted to be completed compared to 305 actual loans completed. This results in a deviation of 10 loans above the goal. Actual loans include 116 3rd quarter loans that have been closed but not yet subsidized.

Program Fiscal Expenditures: Forecasted expenses were \$220,427 compared to actual expenses of \$237,579 resulting in a deviation of \$17,152 over budget. The expenses are over budget due to an increased number of loans completed and slightly above average loan amounts.

Program Progress Summary: Since the approval of the program, Gulf has completed 1267 Gulf Express Loans.

Program Description and Progress

Program Title: Blower Door Program (Pilot)

Program Description: This pilot program was designed to evaluate the cost effectiveness of identifying and repair of duct and infiltration leakage. The testing identifies total house infiltration rates and air duct leakage that can affect consumer KWH energy usage and KW demand. The results of the diagnostic testing initiates duct leakage repairs that can be achieved by sealing supply and return ducts of central HVAC systems. Following a Blower Door Post Test, Gulf monitors the results to determine the reduction of demand and energy savings for the consumer.

Program Accomplishments: There were no Blower Door Tests forecasted to be completed for this reporting period. Final reporting was completed in November, 1993. This report concluded an average of .2 KW demand reduction. Results of this pilot were used in designing the Duct Leakage Repair Program, which was approved as part of Gulf's Demand-Side Management Plan, Docket No. 941172-EI.

Program Fiscal Expenditures: Forecasted expenses were \$13,446 compared to actual expenses of \$3,177 resulting in a deviation of \$10,269 under budget. Budgeted dollars were for program administration, reporting, and follow-up. All expenses for this program ended December, 1994.

### Program Description and Progress

Program Title: Conservation Demonstration and Development

Program Description: A package of conservation programs was approved by the FPSC in Order No. 23461 for Gulf Power Company to explore the development of a program to pursue research, development, and demonstration projects designed to promote energy efficiency and conservation. This program serves as an umbrella program for the identification, development, demonstration and evaluation of new or emerging end-use technologies.

Program Accomplishments:

**Geothermal Heat Pump** - A water furnace geothermal heat pump (AT034) with heat recovery for domestic hot water is being monitored on a 2333 sq. ft. Good Cents home. In addition, the builder installed a heat pump swimming pool heater using the same loop system as the house heat pump. The electric water heater, with heat recovery, is currently monitored for energy/demand consumption.

This project will produce actual detailed data on the energy and demand requirements for heating and cooling a Good Cents home with a geothermal heat pump. This data will provide energy and demand comparisons to computerized estimates and other fuels and or to air-to-air heat pumps. Monitoring the heat pump pool heater will provide data showing the impact of this type equipment on energy and demand requirements when it is installed on the same closed-loop system.

**End-Use Profiling** - The purpose of this 3-year project is to develop and provide detailed end use data for the major customer classes (Residential, Commercial and Industrial) as a baseline database for use in forecasting models and for analyzing the effectiveness of demand side management (DSM) programs.

The first year plan called for the sites to be selected from the following Commercial sectors: Churches, Grocery Stores, Health Care, Restaurants and Schools.

This recovery period included the final phase of the second year plan which called for metering multi-family residential dwellings and the remaining Commercial sectors:

Hotels/Motels, Miscellaneous, Offices, Retail and Warehouses.

The beginning of the third year plan, also within this recovery period, called for metering Industrial sites and Residential Mobile Homes. Residential Single Family homes are currently being end use metered as part of a separate study at Georgia Power Company. The Residential Single Family sample will be augmented with sites from the other operating companies. Gulf will have one industrial site in this project.

**Florida Coordinating Group Research and Development** - Gulf Power Company is actively participating in a research initiative commissioned by the Florida Coordinating Group Conservation Steering Committee, formed to evaluate and research demand side management measures. The Research and Development (R & D) Task Team has been given the charge of investigating and reviewing several demand side management measures and reporting back to the Conservation Steering Committee with its findings and recommendations. Reflective roof coatings, light colored roofs, ceiling fans, occupancy sensors, dual path air conditioning systems, heat pipe enhanced direct exchange air conditioning and variable air volume are the measures currently being reviewed.

Included in the variable air volume research are the Delchamps Supermarket Test and the Bay County Library Test, both tailored collaboration projects between EPRI and Gulf Power Company.

Projects that are currently being tested and monitored are Moisture and Refrigerant Lab Test, Desiccant Enhanced Air Conditioning, and Moisture and Refrigerants Field Test.

**Desiccant Dehumidification Project** - Is a research project involving an air conditioning/dehumidification unit in the commercial market segment. The project is expected to last three years and concluding data will include equipment costs, installation and monitoring.

**The Efficiency Store - Energy Education** program is designed to help achieve the conservation goals. The Efficiency Store is intended to provide customers with improved interest, awareness, and understanding of energy efficient technologies. The objective is to display and demonstrate

those technologies that are designed to promote energy efficiency.

**The Efficiency Store - Commercial Technology Demonstration** is intended to provide customers with an avenue to energy efficient technologies. The objective of the store is to actually display and demonstrate those technologies that yield energy savings and benefits customers. The customer will benefit through the convenience of one location for these demonstration needs and the ability to view new technologies in full use.

**Pensacola Junior College (PJC)** - Is a test project which will allow for full testing of commercial cooking equipment in the new culinary arts and test kitchen at Pensacola Junior College. Final construction and inspections have been completed. Customer demonstrations and student training are scheduled to begin the last quarter of 1995.

**Slinky Mat Loop Heat Pump** - This type of ground loop design "slinky loop" or sometimes referred to as a "slinky mat loop" has not been installed in Northwest Florida or Florida to our knowledge. The results will reveal if this ground loop performs as well as the most common "vertical loop" in extracting and rejecting heat with the earth.

The system consist of an AT028 (2.3 tons) in a 2000 square feet home tied to 1800 feet of 3/4 inch polyethelene pipe 5 to 6 feet below grade. The mat loop is designed as 3 - 100 feet trenches with 600 feet of pipe per trench.

Another purpose is loop cost reduction potential. The projected savings on loop installation cost is \$1000 versus a vertical loop for the same unit. If the unit performs, the cost reduction will result in increased geothermal installations.

This project will also result in performance results associated with kwh, kw demand, ground source efficiency, supply/return water temperatures and hot water recovery kwh/kw reduction, with indoor/outdoor temperature monitoring (wet bulb, dry bulb, relative humidity).

**The Dunes** - Is a project intended to monitor two heat pump water heaters in a hotel. The project has been delayed due to structural damage caused by Hurricane Opal. The phone line needed for monitoring is installed but the remainder of

the equipment will be delayed for two to three months. When the project is able to begin, the Heat Pump Water Heaters are expected to offset the KW demand of existing water heaters and to provide air conditioning to the laundry area.

Program Fiscal Expenditures: Program expenses were forecasted at \$218,407 compared to actual expenses of \$42,367 for a deviation of \$176,040 under budget. Project expenses were as follows: End-Use Profiling, \$1946.14; Geothermal Heat Pump, \$8.87; FCG, \$5,627.00; Desiccant Dehumidification Heat Pump, \$1709.15; Efficiency Store - Energy Education, \$8,609.13; Efficiency Store - Commercial Technology, \$2,845.67; PJC, \$20,089.92; Slinky Loop Mat Heat Pump, \$1,531.11; The Dunes, no expenses this period.

Program Description and Progress

Program Title: In Concert With The Environment

Program Description: In Concert With The Environment is an environmental and energy awareness program that is being implemented in the 8th and 9th grade science classes. The program shows students how everyday energy use impacts the environment and how using energy wisely increases environmental quality.

Program Accomplishments: In Concert With The Environment has been presented to 3,771 students during this recovery period with 2,761 or 73.2% of the students completing the take-home energy survey. Of the 2761 students who completed the survey, 1,337 or 48.4% completed a personalized energy conservation action plan.

Program Fiscal Expenditures: In Concert With The Environment is one of the conservation programs in Gulf's Demand-Side Management Plan, Docket No. 941172-EI, February 22, 1995. Expenses for the program were not included in the Projection Filing, January, 1995, therefore the expenses for In Concert With The Environment result in the program being over budget for this true-up period. Expenses for the 12 months ending September, 1995, and for the program licensing fees are \$138,933.

Program Description and Progress

Program Title: Good Cents Environmental Home

Program Description: Good Cents Environmental Home Program provides residential customers with guidance concerning energy and environmental efficiency in new construction. The program promotes energy-efficient and environmentally sensitive home construction techniques by evaluating over 500 components in six categories of design construction practices.

Program Accomplishments: During the this recovery period, the first period for this program, 7 Good Cents Environmental Homes were constructed.

Program Fiscal Expenditures: Good Cents Environmental Home is one of the conservation programs in Gulf's Demand-Side Management Plan, Docket No. 941172-EI, February 22, 1995. Expenses for the program were not included in the Projection Filing, January, 1995, therefore the expenses for Good Cents Environmental Home result in the program being over budget for this true-up period. Expenses for the 12 months ending September, 1995, are \$35,557.

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA   )

Docket No. 950002-EG

Before me the undersigned authority, personally appeared Margaret D. Neyman, who being first duly sworn, deposes and says that he is the Marketing General Manager of Gulf Power Company, a Maine Corporation, that the foregoing is true and correct to the best of his knowledge, information and belief. He is personally known to me.

Margaret D. Neyman  
Margaret D. Neyman  
Marketing Services Manager

Sworn to and subscribed before me this 6<sup>th</sup> day of November, 1995.

Jessica L. Pfeiffer  
Notary Public, State of Florida at Large

