

Gulf Power Company  
500 Bayfront Parkway  
Post Office Box 1151  
Pensacola, FL 32520-0781  
Telephone 904 444-6231

ORIGINAL  
FILE COPY

Susan D. Cranmer  
Assistant Secretary and  
Assistant Treasurer

*the southern electric system*

August 26, 1996

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. 960897-EI

Enclosed are an original and fifteen copies of Gulf Power Company's revised Attachment B to the Petition for Approval of New Demand Side Management Program regarding Mail-in Energy Audits.

Sincerely,

*Susan D. Cranmer*

lw  
Enclosure

cc: Gulf Power Company  
Jeffrey A. Stone, Esquire

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09102 AUG 27 96

FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG 1 \_\_\_\_\_  
LEG \_\_\_\_\_  
LIN \_\_\_\_\_  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC \_\_\_\_\_  
WAS \_\_\_\_\_  
OT - \_\_\_\_\_

RECEIVED  
MILROOM  
8/29/96

INPUT DATA - PART 1  
Mallinau  
----- DSM\_RULE PROGRAM -----

I. PROGRAM DEMAND SAVINGS AND LINE LOSSES

(1) CUSTOMER KW REDUCTION AT THE METER	0.80 KW/CUST
(2) GENERATOR KW REDUCTION PER CUSTOMER	1.04 KW GEN/CUST
(3) KW LINE LOSS PERCENTAGE	12.6 %
(4) GENERATION KWH REDUCTION PER CUSTOMER	3,169.6 KWH/CUST/YR
(5) KWH LINE LOSS PERCENTAGE	7.7 %
(6) GROUP LINE LOSS MULTIPLIER	1.0034
(7) CUSTOMER KWH PROGRAM INCREASE AT METER	0.0 KWH/CUST/YR
(8)* CUSTOMER KWH REDUCTION AT METER	2,943.0 KWH/CUST/YR

CUSTOMER KW REDUCTION AT METER (Winter) 0.80

II. ECONOMIC LIFE AND K FACTORS

(1) STUDY PERIOD FOR CONSERVATION PROGRAM	30 YEARS
(2) GENERATOR ECONOMIC LIFE	30 YEARS
(3) T & D ECONOMIC LIFE	30 YEARS
(4) K FACTOR FOR GENERATION	1.4851
(5) K FACTOR FOR T & D	1.4851
(6)* SWITCH REV REQ(0) OR VAL-OF-DEF (1)	1

III. UTILITY AND CUSTOMER COSTS

(1) UTILITY NONRECURRING COST PER CUSTOMER	69.00 \$/CUST
(2) UTILITY RECURRING COST PER CUSTOMER	0.00 \$/CUST/YR
(3) UTILITY COST ESCALATION RATE	3.25 %
(4) CUSTOMER EQUIPMENT COST	0.00 \$/CUST
(5) CUSTOMER EQUIPMENT ESCALATION RATE	3.25 %
(6) CUSTOMER O & M COST	0.00 \$/CUST/YR
(7) CUSTOMER O & M ESCALATION RATE	3.25 %
(8)* CUSTOMER TAX CREDIT PER INSTALLATION	0.00 \$/CUST
(9)* CUSTOMER TAX CREDIT ESCALATION RATE	0.00 %
(10)* INCREASED SUPPLY COSTS	0.00 \$/CUST/YR
(11)* SUPPLY COSTS ESCALATION RATE	0.00 %
(12)* UTILITY DISCOUNT RATE	8.47%
(13)* UTILITY AFUDC RATE	7.27%
(14)* UTILITY NON RECURRING REBATE/INCENTIVE	0.00 \$/CUST
(15)* UTILITY RECURRING REBATE/INCENTIVE	0.00 \$/CUST/YR
(16)* UTILITY REBATE/INCENTIVE ESCAL RATE	0.00 %

\* SUPPLEMENTAL INFORMATION NOT SPECIFIED IN WORKBOOK

STOP REV LOSS. NO

IV. AVOIDED GENERATOR, TRANS. AND DIST. COSTS

(1) BASE YEAR	1996
(2) IN-SERVICE YEAR FOR AVOIDED GENERATING UNIT	
(3) IN-SERVICE YEAR FOR AVOIDED T & D	1997
(4) BASE YEAR AVOIDED GENERATING UNIT COST	0.00 \$/KW
(5) BASE YEAR AVOIDED TRANSMISSION COST	54.00 \$/KW
(6) BASE YEAR DISTRIBUTION COST	27.00 \$/KW
(7) GEN. TRAN. & DIST COST ESCALATION RATE	3.25 %
(8) GENERATOR FIXED O & M COST	0.00 \$/KW/YR
(9) GENERATOR FIXED O&M ESCALATION RATE	2.80 %
(10) TRANSMISSION FIXED O & M COST	0.32 \$/KW/YR
(11) DISTRIBUTION FIXED O & M COST	0.00 \$/KW/YR
(12) T&D FIXED O&M ESCALATION RATE	3.25 %
(13) AVOIDED GEN UNIT VARIABLE O & M COSTS	0.000 CENTS/KWH
(14) GENERATOR VARIABLE O&M COST ESCALATION RATE	3.10 %
(15) GENERATOR CAPACITY FACTOR	3.40 %
(16) AVOIDED GENERATING UNIT FUEL COST	2.780 CENTS/KWH
(17) AVOIDED GEN UNIT FUEL ESCALATION RATE	4.5 %
(18)* AVOIDED PURCHASE CAPACITY COST PER KW	27.82 \$/KW/YR
(19)* CAPACITY COST ESCALATION RATE	2.64 %

V. NON-FUEL ENERGY AND DEMAND CHARGES

(1) NON-FUEL COST IN CUSTOMER BILL	1.300 CENTS/KWH
(2) NON-FUEL ESCALATION RATE	1.15 %
(3) CUSTOMER DEMAND CHARGE PER KW	4.56 \$/KW/MO
(4) DEMAND CHARGE ESCALATION RATE	1.15 %
(5)* DIVERSITY and ANNUAL DEMAND ADJUSTMENT FACTOR FOR CUSTOMER BILL	1.00

File C:\ICE\_RULE\Firefix.WK4

Mallinau

TOTAL RESOURCE TEST:	25.70
PARTICIPANT TEST:	ERR
RATE IMPACT TEST:	1.05

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
YEAR	CUMULATIVE TOTAL PARTICIPATING CUSTOMERS	ADJUSTED CUMULATIVE PARTICIPATING CUSTOMERS	UTILITY AVERAGE SYSTEM FUEL COSTS (C/KWH)	AVOIDED MARGINAL FUEL COST (C/KWH)	INCREASED MARGINAL FUEL COST (C/KWH)	REPLACEMENT FUEL COST (C/KWH)	PROGRAM KW EFFECTIVENESS FACTOR	PROGRAM KWH EFFECTIVENESS FACTOR	OTHER COSTS (\$000)	OTHER BENEFITS (\$000)
1996	0	0	2.06	1.46	1.48	1.47	1.00	1.00	0	0
1997	1,000	1,000	2.20	1.56	1.60	1.58	1.00	1.00	0	0
1998	2,000	2,000	2.11	1.70	1.74	1.72	1.00	1.00	0	0
1999	3,000	3,000	2.08	1.77	1.82	1.80	1.00	1.00	0	0
2000	4,000	4,000	1.96	1.86	1.91	1.89	1.00	1.00	0	0
2001	5,000	5,000	1.85	2.02	2.08	2.06	1.00	1.00	0	0
2002	5,000	5,000	1.86	2.07	2.14	2.12	1.00	1.00	0	0
2003	5,000	5,000	1.93	2.36	2.44	2.42	1.00	1.00	0	0
2004	5,000	5,000	2.00	2.49	2.59	2.56	1.00	1.00	0	0
2005	5,000	5,000	2.10	2.77	2.87	2.84	1.00	1.00	0	0
2006	5,000	5,000	2.19	3.00	3.11	3.08	1.00	1.00	0	0
2007	5,000	5,000	2.26	3.27	3.38	3.35	1.00	1.00	0	0
2008	5,000	5,000	2.35	3.53	3.66	3.62	1.00	1.00	0	0
2009	5,000	5,000	2.45	3.95	4.08	4.04	1.00	1.00	0	0
2010	5,000	5,000	2.33	4.32	4.45	4.41	1.00	1.00	0	0
2011	5,000	5,000	2.41	4.76	4.90	4.85	1.00	1.00	0	0
2012	5,000	5,000	2.38	5.57	5.71	5.65	1.00	1.00	0	0
2013	5,000	5,000	2.42	5.81	5.95	5.89	1.00	1.00	0	0
2014	5,000	5,000	2.52	6.02	6.17	6.11	1.00	1.00	0	0
2015	5,000	5,000	2.63	6.27	6.43	6.37	1.00	1.00	0	0
2016	5,000	5,000	2.73	6.52	6.69	6.62	1.00	1.00	0	0
2017	5,000	5,000	2.88	6.78	6.96	6.89	1.00	1.00	0	0
2018	5,000	5,000	3.06	7.05	7.24	7.17	1.00	1.00	0	0
2019	5,000	5,000	3.20	7.33	7.53	7.46	1.00	1.00	0	0
2020	5,000	5,000	3.34	7.64	7.85	7.78	1.00	1.00	0	0
2021	5,000	5,000	3.49	7.97	8.19	8.12	1.00	1.00	0	0
2022	5,000	5,000	3.65	8.32	8.55	8.47	1.00	1.00	0	0
2023	5,000	5,000	3.42	8.66	8.93	8.85	1.00	1.00	0	0
2024	5,000	5,000	4.00	9.07	9.33	9.24	1.00	1.00	0	0
2025	5,000	5,000	4.18	9.48	9.75	9.66	1.00	1.00	0	0

TOTAL RESOURCE COST TESTS  
 Mainline  
 \_\_\_\_\_ DSM\_RULE PROGRAM \_\_\_\_\_

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
YEAR	INCREASED SUPPLY COSTS \$(000)	UTILITY PROGRAM COSTS \$(000)	PARTICIPANT PROGRAM COSTS \$(000)	OTHER COSTS \$(000)	TOTAL COSTS \$(000)	AVOIDED GEN UNIT BENEFITS \$(000)	AVOIDED R & D BENEFITS \$(00)	PROGRAM FUEL SAVINGS \$(000)	OTHER BENEFITS \$(000)	TOTAL BENEFITS \$(000)	NET BENEFITS \$(000)	CUMULATIVE DISCOUNTED NET BENEFITS \$(000)
1996	0	0	0	0	0	0	0	0	0	0	0	0
1997	0	71	0	0	71	71	34	25	0	59	59	(11)
1998	0	74	0	0	74	145	69	81	0	159	217	85
1999	0	76	0	0	76	221	106	141	0	264	482	188
2000	0	78	0	0	78	299	146	208	0	379	861	301
2001	0	81	0	0	81	380	186	290	0	511	1,372	430
2002	0	0	0	0	0	380	192	330	0	567	1,939	567
2003	0	0	0	0	0	380	194	376	0	617	2,556	617
2004	0	0	0	0	0	380	199	397	0	644	3,201	644
2005	0	0	0	0	0	380	202	442	0	694	3,895	694
2006	0	0	0	0	0	380	206	478	0	736	4,631	736
2007	0	0	0	0	0	380	210	521	0	785	5,415	785
2008	0	0	0	0	0	380	214	563	0	832	6,247	832
2009	0	0	0	0	0	380	216	630	0	903	7,149	903
2010	0	0	0	0	0	380	219	689	0	966	8,116	966
2011	0	0	0	0	0	380	221	759	0	1,041	9,157	1,041
2012	0	0	0	0	0	380	218	888	0	1,169	10,325	1,169
2013	0	0	0	0	0	380	224	926	0	1,215	11,540	1,215
2014	0	0	0	0	0	380	231	960	0	1,257	12,798	1,257
2015	0	0	0	0	0	380	237	1,000	0	1,306	14,103	1,306
2016	0	0	0	0	0	380	244	1,039	0	1,355	15,458	1,355
2017	0	0	0	0	0	380	251	1,081	0	1,405	16,863	1,405
2018	0	0	0	0	0	380	258	1,124	0	1,458	18,321	1,458
2019	0	0	0	0	0	380	265	1,169	0	1,512	19,833	1,512
2020	0	0	0	0	0	380	273	1,218	0	1,572	21,405	1,572
2021	0	0	0	0	0	380	280	1,271	0	1,634	23,039	1,634
2022	0	0	0	0	0	380	288	1,326	0	1,700	24,740	1,700
2023	0	0	0	0	0	380	295	1,384	0	1,768	26,508	1,768
2024	0	0	0	0	0	380	303	1,446	0	1,841	28,349	1,841
2025	0	0	0	0	0	380	311	1,511	0	1,918	30,267	1,918
NOMINAL	0	380	0	0	380	6,292	1,703	22,272	0	30,267		29,887
NPV	0	298	0	0	298	1,898	466	5,302	0	7,666		7,368

Discount Rate 8.47%  
 Benefit/Cost Ratio: col (11) / col (6)

25.70

PARTICIPANT COSTS AND BENEFITS  
 Mailinai  
 DSM\_RULE PROGRAM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
YEAR	CUSTOMER EQUIPMENT COSTS \$(000)	CUSTOMER O & M COSTS \$(000)	OTHER COSTS \$(000)	TOTAL COSTS \$(000)	SAVINGS IN PARTICIPANT BILL \$(000)	TAX CREDITS \$(000)	UTILITY REBATES \$(000)	OTHER BENEFITS \$(000)	TOTAL BENEFITS \$(000)	NET BENEFITS \$(000)	CUMULATIVE DISCOUNTED NET BENEFITS \$(000)
1996	0	0	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	74	0	0	74	74	68
1998	0	0	0	0	0	219	0	0	219	293	255
1999	0	0	0	0	0	366	0	0	366	659	54
2000	0	0	0	0	0	503	0	0	503	1,162	904
2001	0	0	0	0	0	636	0	0	636	1,798	1,328
2002	0	0	0	0	0	714	0	0	714	2,513	1,767
2003	0	0	0	0	0	729	0	0	729	3,242	2,179
2004	0	0	0	0	0	744	0	0	744	3,986	2,568
2005	0	0	0	0	0	764	0	0	764	4,750	2,935
2006	0	0	0	0	0	784	0	0	784	5,534	3,282
2007	0	0	0	0	0	799	0	0	799	6,333	3,609
2008	0	0	0	0	0	818	0	0	818	7,151	3,917
2009	0	0	0	0	0	838	0	0	838	7,989	4,208
2010	0	0	0	0	0	825	0	0	825	8,813	4,472
2011	0	0	0	0	0	843	0	0	843	9,657	4,721
2012	0	0	0	0	0	845	0	0	845	10,501	4,951
2013	0	0	0	0	0	855	0	0	855	11,356	5,186
2014	0	0	0	0	0	876	0	0	876	12,232	5,368
2015	0	0	0	0	0	897	0	0	897	13,130	5,560
2016	0	0	0	0	0	918	0	0	918	14,048	5,740
2017	0	0	0	0	0	947	0	0	947	14,995	5,912
2018	0	0	0	0	0	979	0	0	979	15,974	6,075
2019	0	0	0	0	0	1,007	0	0	1,007	16,981	6,230
2020	0	0	0	0	0	1,032	0	0	1,032	18,014	6,377
2021	0	0	0	0	0	1,061	0	0	1,061	19,074	6,516
2022	0	0	0	0	0	1,091	0	0	1,091	20,165	6,647
2023	0	0	0	0	0	1,063	0	0	1,063	21,228	6,766
2024	0	0	0	0	0	1,155	0	0	1,155	22,383	6,884
2025	0	0	0	0	0	1,189	0	0	1,189	23,572	6,996
NOMINAL	0	0	0	0	23,572	0	0	0	23,572	23,572	
NPV:	0	0	0	0	6,996	0	0	0	6,996	6,996	

In service year of gen unit:  
 Discount rate: 8.47%  
 Benefit/Cost Ratio: col (10) / col (5)

ERR

RATE IMPACT TEST  
Mallinau  
----- DSM\_RULE PROGRAM -----

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
YEAR	INCREASED SUPPLY COSTS	UTILITY PROGRAM COSTS	INCENTIVES	REVENUE LOSSES	OTHER COSTS	TOTAL ACCUM COSTS	AVOIDED GEN UNIT BENEFITS	AVOIDED T & D BENEFITS	PROGRAM FUEL BENEFITS	REVENUE GAINS	OTHER BENEFITS	TOTAL ACCUM BENEFITS	NET BENEFITS TO ALL CUSTOMERS	CUMULATIVE DISCOUNTED NET BENEFIT
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997	0	71	0	74	0	145	145	34	0	25	0	59	59	(86)
1998	0	74	0	219	0	293	438	69	8	81	0	159	217	(194)
1999	0	76	0	366	0	442	890	106	17	141	0	264	482	(178)
2000	0	78	0	503	0	581	1,461	146	26	208	0	379	861	(202)
2001	0	81	0	636	0	717	2,179	186	36	290	0	511	1,372	(206)
2002	0	0	0	714	0	714	2,893	192	45	330	0	567	1,939	(147)
2003	0	0	0	729	0	729	3,622	194	47	376	0	617	2,556	(112)
2004	0	0	0	744	0	744	4,366	199	48	397	0	644	3,201	(100)
2005	0	0	0	764	0	764	5,130	202	50	442	0	694	3,895	(70)
2006	0	0	0	784	0	784	5,914	206	52	478	0	736	4,631	(48)
2007	0	0	0	799	0	799	6,713	210	53	521	0	785	5,415	(15)
2008	0	0	0	818	0	818	7,531	214	55	563	0	832	6,247	14
2009	0	0	0	838	0	838	8,369	216	57	630	0	903	7,149	65
2010	0	0	0	825	0	825	9,194	219	59	689	0	966	8,116	142
2011	0	0	0	843	0	843	10,037	221	61	759	0	1,041	9,157	197
2012	0	0	0	845	0	845	10,881	218	63	868	0	1,169	10,325	324
2013	0	0	0	855	0	855	11,736	224	65	926	0	1,215	11,540	360
2014	0	0	0	876	0	876	12,612	231	67	960	0	1,257	12,798	381
2015	0	0	0	897	0	897	13,510	237	69	1,000	0	1,306	14,103	408
2016	0	0	0	918	0	918	14,428	244	71	1,039	0	1,355	15,458	436
2017	0	0	0	947	0	947	15,375	251	74	1,081	0	1,405	16,863	458
2018	0	0	0	979	0	979	16,355	258	76	1,124	0	1,458	18,321	479
2019	0	0	0	1,007	0	1,007	17,361	265	78	1,169	0	1,512	19,833	506
2020	0	0	0	1,032	0	1,032	18,394	273	81	1,218	0	1,572	21,405	539
2021	0	0	0	1,061	0	1,061	19,455	280	84	1,271	0	1,634	23,039	573
2022	0	0	0	1,091	0	1,091	20,545	288	86	1,326	0	1,700	24,740	610
2023	0	0	0	1,063	0	1,063	21,608	295	89	1,384	0	1,768	26,508	705
2024	0	0	0	1,155	0	1,155	22,763	303	92	1,445	0	1,841	28,349	688
2025	0	0	0	1,189	0	1,189	23,952	311	95	1,511	0	1,918	30,267	729
NOMINAL	0	380	0	23,572	0	23,952		6,292	1,703	22,272	0	30,267		6,315
NPV:	0	298	0	6,996	0	7,295		1,898	466	5,302	0	7,666		372

Discount rate: 8.47%  
Benefit / Cost Ratio - Col (12)/Col (7) 1.05

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Gulf Power Company's  
Mail-In Energy Audit

)  
)  
)  
Docket No. 960897-EI

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 21st day of August 1996 to the following:

Norman Horton, Jr., Esquire  
Messer, Vickers, Capareello,  
French and Madsen  
P. O. Box 1876  
Tallahassee FL 32302

Vicki Kaufman, Esquire  
McWhirter Reeves McGlothlin  
Davidson Rief & Bakas  
117 S. Gadsden Street  
Tallahassee FL 32301

Jack Shave, Esquire  
Office of Public Counsel  
111 W. Madison St., Suite 812  
Tallahassee FL 32399-1400

Sheila Erstling, Esquire  
Staff Counsel  
FL Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0863

R. Scheffel Wright, Esquire  
Landers & Parsons  
P. O. Box 271  
Tallahassee FL 32302

James McGee, Esquire  
Florida Power Corporation  
P. O. Box 14042  
St. Petersburg FL 33733-4042

Stuart L. Shoaf  
St. Joe Natural Gas Company  
P. O. Box 549  
Port St. Joe FL 32456

Wayne L. Schiefelbein, Esq.  
Gatlin, Woods, Carlson & Cowdery  
1709-D Mahan Drive  
Tallahassee FL 32308

Charles A. Guyton, Esquire  
Steel, Hector & Davis  
215 S. Monroe, Suite 601  
Tallahassee FL 32301

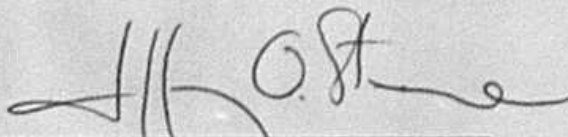
Ms. Colette M. Powers  
Indiantown Gas Company  
P. O. Box 8  
Indiantown FL 34956-0008

James D. Beasley, Esquire  
Macfarlane Ausley Ferguson  
& McMullen  
P. O. Box 391  
Tallahassee FL 32302

Sebring Gas System, Inc.  
3515 Highway 27 South  
Sebring FL 33870-5452

Mr. J. Peter Martin  
South FL Natural Gas Co.  
101 NW 202 Terrace  
P. O. Box 69000-J  
Miami FL 33269-0078

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson Rief & Bakas, P.A.  
P. O. Box 3350  
Tampa FL 33602-5126



---

JEFFREY A. STONE  
Florida Bar No. 325953  
RUSSELL A. BADDERS  
Florida Bar No. 0007455  
Beggs & Lane  
P. O. Box 12950  
Pensacola FL 32576  
(904) 432-2451  
Attorneys for Gulf Power Company