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ORIGINAL



March 31, 2006

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

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Dear Ms. Bayo:

Enclosed are an original and twenty-five copies of Gulf Power Company's 2006 Ten Year Site Plan, and it is filed pursuant to Rule No. 25-22.071. Included in the Ten Year Site Plan is the Company's Clean Air Act Compliance update, and it is filed pursuant to Order No. PSC-93-1376-FOF-EI.

Sincerely,

Susan D. Ritenour

CMP _____

COM _____

CTR _____

ECR _____

bh

GCL _____

OPC _____

Enclosures

RCA _____

SCR _____

SGA _____

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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DOCUMENT NUMBER - DATE

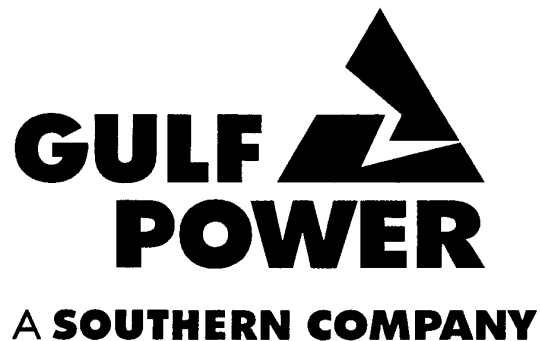
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FPSC-COMMISSION CLERK

**TEN YEAR SITE PLAN
2006-2015**

**FOR ELECTRIC GENERATING FACILITIES
AND
ASSOCIATED TRANSMISSION LINES**

APRIL 2006



DOCUMENT NUMBER-DATE
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**GULF POWER COMPANY
TEN YEAR SITE PLAN**

**FOR ELECTRIC GENERATING FACILITIES
AND
ASSOCIATED TRANSMISSION LINES**

**Submitted To The
State of Florida
Public Service Commission**

APRIL 1, 2006

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GULF POWER COMPANY

TEN-YEAR SITE PLAN

Executive Summary

The Gulf Power Company 2006 Ten-Year Site Plan is filed with the Florida Public Service Commission (FPSC) in accordance with the requirements of Chapter 186.801, Florida Statutes as revised by the Legislature in 1995. That revision replaced the Florida Department of Community Affairs with the FPSC as the state agency responsible for the oversight of the Ten-Year Site Plan (TYSP). The 2006 TYSP for Gulf Power Company (Gulf) is being filed in compliance with the applicable FPSC rules.

Gulf's 2006 TYSP contains the documentation of assumptions, load forecast, fuel forecasts, the planning processes, existing resources, and future capacity needs and resources. The resource planning process utilized by Gulf to determine its future capacity needs is coordinated within the Southern electric system Integrated Resource Planning (IRP) process. Gulf participates in the IRP process along with the other Southern electric system operating companies, Alabama Power Company, Georgia Power Company, Mississippi Power Company, Savannah Electric & Power Company, and Southern Power Company, (collectively, the "Southern electric system" or "SES"). Gulf shares in the benefits gained from planning a large system such the SES, without the costs of a large planning staff of its own.

The capacity resource needs set forth in the SES IRP are driven by the demand forecast that includes projected demand-side measures embedded into the forecast prior to entering the generation mix process. The generation mix process uses PROVIEW® to screen the available technologies in order to produce a listing of preferred capacity resources from which to select the most cost-effective plan for the system. The resulting SES resource needs are then allocated among the operating companies based on reserve requirements, and each company then determines the resources that will best meet its capacity and reliability needs. The generation technologies screened in the latest SES IRP include gas-fired combustion turbine, gas-fired combined cycle, and pulverized coal.

For the 2006 TYSP cycle, Gulf's allocated resource needs have been determined, showing a 415 megawatt need for peaking capacity in 2009, followed by annually increasing capacity needs that grow to 960 megawatts by the summer of 2015. The timing of Gulf's next capacity need has changed from 2008 to 2009 as shown in the previous TYSP, but the magnitude of the need has remained in the same range of the previously anticipated levels due primarily to little change in expected summer peak demand projections for the 2006 TYSP cycle.

In order to meet these capacity requirements, Gulf issued a Request for Proposals in December 2005 for 400 to 500 megawatts of power to be purchased from regional market resources for a five year period beginning in

June 2009. Final proposals from RFP respondents were submitted on March 21, 2006, and they are currently being evaluated.

In conjunction with this firm power purchase initiative, Gulf has continued to evaluate the construction of generating capacity, or the acquisition of an equivalent capacity resource. Gulf's current generation expansion plan calls for the addition of a 600 megawatt gas-fired combined cycle unit in Gulf's service territory. If Gulf ultimately commits to the construction of this new generating capacity, the installation is anticipated to coincide with the expiration of its planned firm market purchase in May 2014. The location of this potential combined cycle generating facility will be determined by future studies focusing on Gulf's existing generating facility sites. Schedules 8 and 9 of this TYSP document contain more detailed information on this potential combined cycle addition.

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CHAPTER I

DESCRIPTION OF EXISTING FACILITIES

DESCRIPTION OF EXISTING FACILITIES

Gulf owns and operates three fossil - fueled generating facilities in Northwest Florida (Plants Crist, Smith, and Scholz). Gulf also owns a 50% undivided ownership interest in Unit 1 and Unit 2 at Mississippi Power Company's Daniel Electric Generating Facility. Gulf has a 25% ownership in Unit 3 at Georgia Power Company's Scherer Electric Generating Facility which is completely dedicated to wholesale unit power sale contracts. This fleet of generating units consists of fourteen fossil steam units, one combined cycle unit, and one combustion turbine. Schedule 1 shows 996 MW of steam generation located at the Crist Electric Generating Facility near Pensacola, Florida. The Lansing Smith Electric Generating Facility near Panama City, Florida includes 351 MW of steam generation, 566 MW (summer rating) of combined cycle generation, and 32 MW (summer rating) of combustion turbine facilities. The Scholz Electric Generating Facility, near Sneeds, Florida consists of 92 MW of steam generation. Gulf's Pea Ridge Facility, in Pace, Florida, consists of three combustion turbines associated with an existing customer's cogeneration facility, which adds 12 MW (summer rating) to Gulf's existing capacity.

Including Gulf's ownership interest in the Daniel fossil steam Units 1 and 2 and the Scherer fossil steam Unit 3, Gulf has a total net summer generating capability of 2,796 MW and a total net winter generating capability of 2,824 MW.

The existing Gulf system in Northwest Florida, including generating plants, substations, transmission lines and service area, is shown on the system map on

page 8. Data regarding Gulf's existing generating facilities is presented on
Schedule 1.

GULF POWER COMPANY

SCHEDULE 1
EXISTING GENERATING FACILITIES
AS OF DECEMBER 31, 2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Plant Name	Unit No.	Location	Unit Type	Fuel		Fuel Transp		Alt. Fuel Days Use	Com'l In-Service Mo/Yr	Exptd Retrmt Mo/Yr	Gen Max Nameplate KW	Net Capability	
				Pri	Alt	Pri	Alt					Summer MW	Winter MW
Crist		Escambia County 25/1N/30W									<u>1,200,875</u>	<u>996.0</u>	<u>996.0</u>
	2		FS	NG	HO	PL	TK	--	6/49	5/06	28,125	24.0	24.0
	3		FS	NG	HO	PL	TK	--	9/52	5/06	37,500	35.0	35.0
	4		FS	C	NG	WA	PL	1	7/59	12/14	93,750	78.0	78.0
	5		FS	C	NG	WA	PL	1	6/61	12/16	93,750	80.0	80.0
	6		FS	C	NG	WA	PL	1	5/70	12/25	369,750	302.0	302.0
	7		FS	C	NG	WA	PL	1	8/73	12/28	578,000	477.0	477.0
Lansing Smith		Bay County 36/2S/15W									<u>1,001,500</u>	<u>949.0</u>	<u>975.0</u>
	1		FS	C	--	WA	--	--	6/65	12/20	149,600	162.0	162.0
	2		FS	C	--	WA	--	--	6/67	12/22	190,400	189.0	189.0
	3		CC	NG	--	PL	--	--	4/02	12/27	619,650	566.0	584.0
	A		CT	LO	--	TK	--	--	5/71	12/17	41,850	32.0	40.0
Scholz		Jackson County 12/3N/7W									<u>98,000</u>	<u>92.0</u>	<u>92.0</u>
	1		FS	C	--	RR	WA	--	3/53	12/11	49,000	46.0	46.0
	2		FS	C	--	RR	WA	--	10/53	12/11	49,000	46.0	46.0
(A) Daniel		Jackson County, MS 42/5S/6W									<u>548,250</u>	<u>528.0</u>	<u>528.0</u>
	1		FS	C	HO	RR	TK	--	9/77	12/22	274,125	264.0	264.0
	2		FS	C	HO	RR	TK	--	6/81	12/26	274,125	264.0	264.0
(A) Scherer	3	Monroe County, GA	FS	C	--	RR	--	--	1/87	12/42	222,750	219.0	219.0
Pea Ridge		Santa Rosa County 15/1N/29W									<u>14,250</u>	<u>12.0</u>	<u>13.8</u>
	1		CT	NG	--	PL	--	--	5/98	12/18	4,750	4.0	4.6
	2		CT	NG	--	PL	--	--	5/98	12/18	4,750	4.0	4.6
	3		CT	NG	--	PL	--	--	5/98	12/18	4,750	4.0	4.6
Total System											<u>2,796.0</u>	<u>2,823.8</u>	

SCHEDULE 1

Abbreviations:

Fuel

FS - Fossil Steam
CT - Combustion Turbine
CC - Combined Cycle
NG - Natural Gas
C - Coal
LO - Light Oil
HO - Heavy Oil

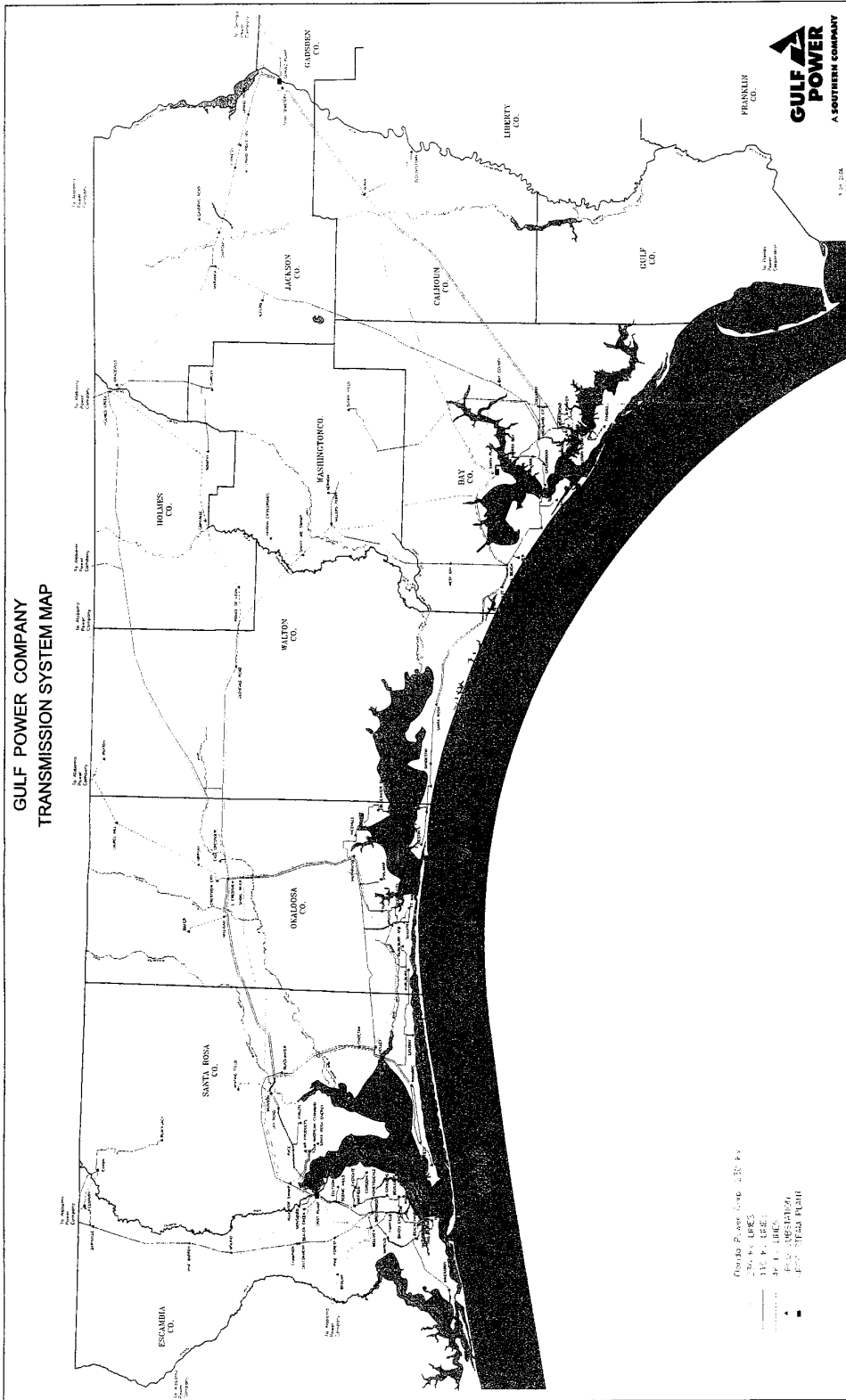
Fuel Transportation

PL - Pipeline
WA - Water
TK - Truck
RR - Railroad

NOTE: (A) Unit capabilities shown represent Gulf's portion of Daniel Units 1 & 2 (50%) and Scherer Unit 3 (25%).

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GULF POWER COMPANY
TRANSMISSION SYSTEM MAP



Florida Power Corp. 12/20/89
 230 KV LINES
 138 KV LINES
 69 KV LINES
 33 KV LINES
 SUBSTATIONS



1:25,000
 1/2" = 1 MILE

CHAPTER II

FORECAST OF ELECTRIC POWER DEMAND AND
ENERGY CONSUMPTION

FORECASTING DOCUMENTATION

GULF POWER COMPANY
LOAD FORECASTING METHODOLOGY
OVERVIEW

Gulf views the forecasting effort as a dynamic process requiring ongoing efforts to yield results which allow informed planning and decision-making. The total forecast is an integration of different techniques and methodologies, each applied to the task for which it is best suited. Many of the techniques take advantage of the extensive data made available through the Company's marketing efforts, which are predicated on the philosophy of knowing and understanding the needs, perceptions and motivations of our customers and actively promoting wise and efficient uses of energy which satisfy customer needs. Gulf has been a pacesetter in the energy efficiency market since the development and implementation of the GoodCents Home program in the mid-70's. This program brought customer awareness, understanding and expectations regarding energy efficient construction standards in Northwest Florida to levels unmatched elsewhere. Since that time, the GoodCents Home program has seen many enhancements, and has been widely accepted not only by our customers, but by builders, contractors, consumers, and other electric utilities throughout the nation, providing clear evidence that selling efficiency to customers can be done successfully.

The Marketing Services section of the Marketing Department is responsible for preparing forecasts of customers, energy and peak demand. A description of the assumptions and methods used in the development of these forecasts follows.

I. ASSUMPTIONS

A. ECONOMIC OUTLOOK

The Budget-2006 economic forecast recognizes that while the economy was still recovering and vulnerable in the spring of 2004, one year later it is experiencing solid growth for 2005 and the recovery will remain firmly intact over the near term.

Real GDP is expanding at a consistent 4% pace, job growth is near 2% and is improving, and core inflation remains low at less than 2%. Supporting the strong U.S. economic growth is higher business confidence. Businesses are investing. Shipments of non-defense capital goods are expanding at a 10% year-over-year pace. Expanding businesses include construction and real estate, manufacturing, and high technology.

The U.S. economy's near-term prospects are positive. This optimism is being driven by continued strength in productivity gains. Despite recent slowing, productivity growth registered a very strong 4% gain in 2004. The strong productivity gains are fueling business profit growth and cash flow, and thus providing businesses with the wherewithal to expand their operations more aggressively.

Since the tightening process began last June, monetary policymakers have raised the federal funds rate from a 40-year low of 1% to its current 2.5%. Policymakers are expected to pause briefly in their tightening effort later this year, as the funds rate moves into the 3% to 5% neutral rate band. However, even more tightening will be necessary in early 2006 as it becomes evident that risk-taking remains entrenched and the economy's growth remains above its 3% real potential.

A threat to the economy's good prospects is persistently high energy prices. However, experts predict that oil prices will recede during the coming year. This decline will occur due to slower global energy demand growth, a pickup in global energy supplies as increased exploration and development reap benefits, and a narrowing in the risk premium in prices. If prices do not decline but remain

where they are, then this will shave nearly a percentage point from real GDP growth in the coming year.

B. TERRITORIAL ECONOMIC OUTLOOK

Gulf's projections reflect the economic outlook for our service area as provided by Moody's Economy.com, a renowned economic service provider. Gulf's forecast assumes that service area population growth will continue to exceed the nation's growth and slightly exceed the rate of growth for the state of Florida. Gulf's projections incorporate electric price assumptions derived from the 2005 Gulf Power Official Long-Range Forecast. Fuel price projections for gas and oil are developed by Southern Company Services (SCS) Fuel Procurement staff with input from outside consultants. The following tables provide a summary of the assumptions associated with Gulf's forecast:

**TABLE 1
ECONOMIC SUMMARY
(2004-2010)**

	<u>Base Case Forecast</u>
GDP Growth	3.7% - 2.9%
Interest Rate (30 Year AAA Bonds)	6.4% - 7.3%
Inflation	2.2% - 1.8%

**TABLE 2
AREA DEMOGRAPHIC SUMMARY
(2004-2010)**

	<u>Base Case Forecast</u>
Population Gain	97,310
Net Migration	63,780
Average Annual Population Growth	1.7%
Average Annual Labor Force Growth	2.5%

II. CUSTOMER FORECAST

A. RESIDENTIAL CUSTOMER FORECAST

The immediate short-term forecast (0-2 years) of customers is based primarily on projections prepared by district personnel. Gulf district personnel remain abreast of local market and economic conditions within their service territories through direct contact with economic development agencies, developers, builders, lending institutions and other key contacts. The projections prepared by the districts are based upon recent historical trends in customer gains and their knowledge of locally planned construction projects from which they are able to estimate the near-term anticipated customer gains. These projections are then analyzed for consistency and the incorporation of major construction projects and business developments is reviewed for completeness and accuracy. The end result is a near-term forecast of residential customers.

For the remaining forecast horizon (3-25 years), the Gulf Economic Model, a competition-based econometric model developed by Moody's Economy.com, is used in the development of residential customer projections. Projections of births, deaths, and population by age groups are determined by past and projected trends. Migration is determined by economic growth relative to surrounding areas.

The forecast of residential customers is an outcome of the final section of the migration/demographic element of the model. The number of residential customers Gulf expects to serve is calculated by multiplying the total number of households located in the eight counties in which Gulf provides service by the percentage of customers in these eight counties for which Gulf currently provides service.

The number of households referred to above is computed by applying a household formation trend to the previously mentioned population by age group, and then by summing the number of households in each of five adult age categories. As indicated, there is a relationship between households, or residential customers, and the age structure of the population of the area, as

well as household formation trends. The household formation trend is the product of initial year household formation rates in the Gulf service area and projected U.S. trends in household formation.

B. COMMERCIAL CUSTOMER FORECAST

The immediate short-term forecast (0-2 years) of commercial customers, as in the residential sector, is prepared by the district personnel in similar fashion utilizing recent historical customer gains information and their knowledge of the local area economies and upcoming construction projects. A review of the assumptions, techniques and results for each district is undertaken, with special attention given to the incorporation of major commercial development projects.

Beyond the immediate short-term period, commercial customers are forecast as a function of residential customers, reflecting the growth of commercial services to meet the needs of new residents. Implicit in the commercial customer forecast is the relationship between growth in total real disposable income and growth in the commercial sector.

III. ENERGY SALES FORECAST

A. RESIDENTIAL SALES FORECAST

The residential energy sales forecast is developed utilizing multiple regression analyses. Monthly class energy use per customer per billing day is estimated based upon recent historical data, expected normal weather and projected price. The model output is then multiplied by the projected number of customers and billing days by month to expand to the total residential class.

The residential sales forecast reflects the continued impacts of Gulf's GoodCents Home program and efficiency improvements undertaken by customers as a result of the GoodCents Energy Survey program, as well as conversions to higher efficient outdoor lighting. The residential sales forecast also reflects the anticipated incremental impacts of Gulf's DSM plan, approved in March 2005, designed to meet the Commission-approved demand and energy reduction goals established in September 2004. Additional information on the residential conservation programs and program features are provided in the Conservation section.

B. COMMERCIAL SALES FORECAST

The commercial energy sales forecast is also developed utilizing multiple regression analyses. Monthly class energy use per customer per billing day is estimated based upon recent historical data, expected normal weather and projected price. The model output is then multiplied by the projected number of customers and billing days by month to expand to the total commercial class.

The commercial sales forecast reflects the continued impacts of Gulf's Commercial GoodCents building program and efficiency improvements undertaken by customers as a result of Commercial Energy Audits and Technical Assistance Audits, as well as conversions to higher efficient outdoor lighting. The commercial sales forecast also reflects the anticipated

incremental impacts of Gulf's DSM plan, approved in March 2005, designed to meet the Commission-approved demand and energy reduction goals established in September 2004. Additional information on the Commercial Conservation programs and program features are provided in the Conservation section.

C. INDUSTRIAL SALES FORECAST

The short-term industrial energy sales forecast is developed using a combination of on-site surveys of major industrial customers, trending techniques, and multiple regression analysis. Fifty-four of Gulf's largest industrial customers are interviewed to identify load changes due to equipment addition, replacement or changes in operating characteristics.

The short-term forecast of monthly sales to these major industrial customers is a synthesis of the detailed survey information and historical monthly load factor trends. The forecast of short-term sales to the remaining smaller industrial customers is developed using a combination of trending techniques and multiple regression analysis.

The long-term forecast of industrial energy sales is based on econometric models of the chemical, pulp and paper, other manufacturing, and non-manufacturing sectors. The industrial sales forecast also reflects the anticipated incremental impacts of Gulf's DSM plan, approved in March 2005, designed to meet the Commission-approved demand and energy reduction goals established in September 2004. Additional information on the conservation programs and program features are provided in the Conservation section.

D. STREET LIGHTING SALES FORECAST

The forecast of monthly energy sales to street lighting customers is based on projections of the number of fixtures in service, for each of the available fixture types.

The projected number of fixtures by fixture type is developed from analyses of recent historical fixture data to discern the patterns of fixture additions and deletions. The estimated monthly kilowatt-hour consumption for each fixture type is multiplied by the projected number of fixtures in service to produce total monthly sales for a given type of fixture. This methodology allows Gulf to explicitly evaluate the impacts of lighting programs, such as mercury vapor to high pressure sodium conversions.

E. WHOLESALE ENERGY FORECAST

The forecast of energy sales to wholesale customers is developed utilizing multiple regression analyses. Monthly energy purchases per day for each of Gulf's wholesale customers are estimated based upon recent historical data and expected normal weather. The model output is then multiplied by the projected number of days by month to expand to the customer totals, which are then summed to develop the class totals.

F. COMPANY USE & INTERDEPARTMENTAL ENERGY

The annual forecast for Company energy usage was based on recent historical values, with appropriate adjustments to reflect short-term increases in energy requirements for anticipated new Company facilities. The monthly spreads were derived using historical relationships between monthly and annual energy usage.

IV. PEAK DEMAND FORECAST

The peak demand forecast is prepared using the Hourly Electric Load Model (HELM), developed by ICF, Incorporated, for EPRI under Project RP1955-1. The resulting output from the model is hourly electrical loads over the forecast horizon.

The summer and winter peak demands are the maximum of the hourly forecasted loads in July and January, respectively. Gulf's summer peak demand typically occurs in the month of July, while Gulf's winter peak demand typically occurs in the month of January.

Load shape forecasts have always provided an important input to traditional system planning functions. Forecasts of the pattern of demand have acquired an added importance due to structural changes in the demand for electricity and increased utility involvement in influencing load patterns for the mutual benefit of the utility and its customers.

HELM represents an approach designed to better capture changes in the underlying structure of electricity consumption. Rapid increases in energy prices during the 1970's and early 1980's brought about changes in the efficiency of energy-using equipment. Additionally, sociodemographic and microeconomic developments have changed the composition of electricity consumption, including changes in fuel shares, housing mix, household age and size, construction features, mix of commercial services, and mix of industrial products.

In addition to these naturally occurring structural changes, utilities have become increasingly active in offering customers options which result in modified consumption patterns. An important input to the design of such demand-side programs is an assessment of their likely impact on utility system loads.

HELM has been designed to forecast electric utility load shapes and to analyze the impacts of factors such as alternative weather conditions, customer mix changes, fuel share changes, and demand-side programs. The structural detail of HELM provides forecasts of hourly class and system load curves by weighting and aggregating load shapes for individual rate level components.

Model inputs include rate level energy forecasts consistent with the cost of service load shape data collected from COS load research samples as well as

individual customer load data for many of the larger customers. Inputs are also required to reflect new technologies, rate structures and other demand-side programs. Model outputs include hourly system and class load curves, load duration curves, monthly system and class peaks, load factors and energy requirements by season and rating period.

The methodology embedded in HELM may be referred to as a "bottom-up" approach. Class and system load shapes are calculated by aggregating the load shapes of component rates and individual large customer load shapes. The system demand for electricity in hour i is modeled as the sum of demands by each end-use in hour i :

$$L_i = \sum_{R=1}^{N_R} L_{R,i} + \sum_{C=1}^{N_C} L_{C,i} + \sum_{I=1}^{N_I} L_{I,i} + Misc_i$$

Where: L_i = system demand for electricity in hour i ;

N_R = number of residential rate class loads;

N_C = number of commercial rate class loads;

N_I = number of industrial rate class loads;

$L_{R,i}$ = demand for electricity by residential rate R in hour i ;

$L_{C,i}$ = demand for electricity by commercial rate C in hour i ;

$L_{I,i}$ = demand for electricity by industrial rate/customer I in hour i ;

$Misc_i$ = other demands (wholesale, street lighting, losses, company use) in hour i .

V. DATA SOURCES

Gulf utilizes Company historical customer, energy and revenue data by rate and class, and historical hourly load data coupled with weather information from WDAS and NOAA to drive the energy and demand models. Individual customer historical data is utilized in developing the projections for Gulf's largest commercial and industrial customers.

Gulf's models also utilize economic projections provided by Moody's Economy.com, a renowned economic services provider. Moody's Economy.com utilizes the Bureau of Labor Statistics for data on employment, unemployment rate and labor force. Personal Income data is obtained from the Bureau of Economic Analysis. Population and Population by Age Cohort, Households and Housing Permit information is obtained from the U.S. Bureau of Census.

VI. CONSERVATION PROGRAMS

As previously mentioned, Gulf's forecast of energy sales and peak demand reflect the continued impacts of our conservation programs. The following provides a listing of the conservation programs and program features in effect and estimates of reductions in peak demand and net energy for load reflected in the forecast as a result of these programs. These reductions also reflect the anticipated impacts of the new programs submitted in Gulf's Demand Side Management plan filed December 01, 2004, modified on January 26, 2005 (Docket No. 040032-EG) and approved by the FPSC on March 14, 2005. These programs were designed to meet the incremental impacts of the Commission-approved demand and energy reduction DSM goals established in Order No. PSC-04-0764-PAA-EG on September 1, 2004.

A. RESIDENTIAL CONSERVATION

In the residential sector, Gulf's GoodCents Home/Energy Star program is designed to make cost effective increases in the efficiencies of the new home construction market. This is being achieved by placing greater requirements on cooling and water heating equipment efficiencies, proper HVAC sizing, increased insulation levels in walls, ceilings, and floors, and tighter restrictions on glass area and infiltration reduction practices. In addition, Gulf monitors proper quality installation of all the above energy features. This program also provides the opportunity to offer the Energy Star Home Program to Gulf's builders and customers and correlates the performance of GoodCents Homes to the nationally recognized Energy Star efficiency label. In many cases, a standard GoodCents Home will also qualify as an Energy Star home. Approximately 62,000 new homes have been constructed to Good Cents standards under this program resulting in an annual reduction of nearly 78 mW of summer peak demand and annual energy savings of nearly 200 gWh.

Further conservation benefits are achieved in the existing home market with Gulf's GoodCents Energy Survey program which is designed to provide

existing residential customers with cost-effective energy conserving recommendations and options that increase comfort and reduce energy operating costs. The goal of this program is to upgrade the customer's home by providing specific whole house recommendations and a list of qualified companies who provide installation services. The benefits of this program are also made available to our customers through the GoodCents Mail-In Energy Survey program as well as a recently added on-line version. Approximately 13,000 existing homes have been upgraded to Good Cents standards in addition to other system upgrades resulting in an annual reduction of approximately 21 mW of summer peak demand and over 41 gWh in annual energy savings.

In Concert With The Environment® is an environmental and energy awareness program that was being implemented in the 8th and 9th grade science classes in Gulf's service area. The program shows students how everyday energy use impacts the environment and how using energy wisely increases environmental quality. *In Concert With The Environment®* is brought to students who are already making decisions which impact our country's energy supply and the environment. Wise energy use today can best be achieved by linking environmental benefits to wise energy-use activities and by educating both present and future consumers on how to live "in concert with the environment". The program encourages participation by all household members through a take-home Energy Survey, Energy Survey Results, and student educational handbook and is considered an extension of Gulf's Residential Audit Program. Although Gulf ceased actively pursuing implementation of this program in 1998, it is still available upon request for presentation in the schools within Gulf's service area.

The Duct Leakage Repair Program provides Gulf's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and kW demand. Potential program participants are identified through the Residential Energy Audit Program as well as through educational and promotional activities. After identification of the leakage sites and quantities, the customer is given a

written summary of the test findings and the potential for savings, along with a list of approved repair contractors. The program also provides duct leakage testing on new construction duct systems to ensure maximum efficiency and comfort in these new homes. This testing is available to the Builder, HVAC contractor, or homeowner. This program builds upon the Residential Energy Audit process by revealing additional energy efficiency and comfort measures available to the customer. Although Gulf discontinued actively promoting this program in 1998, it is still available upon request.

The GoodCents Environmental Home Program provides Gulf's 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 and construction practices. The GoodCents Environmental Home consists of energy and environmental components. The energy components evaluate the building envelope and mechanical systems of the home with respect to energy efficiency. The environmental components of the program include measures which also evaluate thermal energy loss, alternative energy sources, embodied energy and design strategies that affect energy usage in the home.

The Residential Geothermal Heat Pump Program reduces the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. Gulf's Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge and acceptance of this technology. The program additionally promotes efficiency levels well above current market conditions. Approximately 1,781 geothermal heat pumps have been installed in Gulf's

service area resulting in an annual reduction in summer peak demand in excess of 3.7 mW and annual energy savings of over 4 gWh.

The GoodCents Select Program, an advanced energy management (AEM) program, provides Gulf's customers with a means of conveniently and automatically controlling and monitoring their energy purchases in response to prices that vary during the day and by season in relation to Gulf's cost of producing or purchasing energy. The GoodCents Select System allows the customer to control more precisely the amount of electricity purchased for heating, cooling, water heating, and other selected loads; to purchase electric energy on a variable spot price rate; and to monitor at any time, and as often as desired, the use of electricity and its cost in dollars, both for the billing period to date and on a forecast basis to the end of the period. The various components of the GoodCents Select system installed in the customer's home, as well as the components installed at Gulf, provide constant communication between customer and utility. The combination of the GoodCents Select system and Gulf's innovative variable rate concept will provide consumers with the opportunity to modify their usage of electricity in order to purchase energy at prices that are somewhat lower to significantly lower than standard rates a majority of the time. Further, the communication capabilities of the GoodCents Select system allow Gulf to send a critical price signal to the customer's premises during extreme peak load conditions. The signal results in a reduction attributable to predetermined thermostat and relay settings chosen by the individual participating customer. The customer's pre-programmed instructions regarding their desired comfort levels adjust electricity use for heating, cooling, water heating and other appliances automatically. Therefore, the customer's control of their electric bill is accomplished by allowing them to choose different comfort levels at different price levels in accordance with their individual lifestyles. Currently approximately 5,700 customers are participating in this program resulting in an annual reduction of over 17 mW in summer peak demand and annual energy savings of nearly 11 gWh.

Additional conservation benefits are realized in the residential sector through Gulf's Outdoor Lighting program by conversion of existing, less efficient mercury vapor outdoor lighting to higher efficient high pressure sodium lighting.

B. COMMERCIAL/INDUSTRIAL CONSERVATION

In the commercial sector, Gulf's GoodCents Building program is designed to make cost effective increases in efficiencies in both new and existing commercial buildings with requirements resulting in energy conserving investments that address the thermal efficiency of the building envelope, interior lighting, heating and cooling equipment efficiency, and solar glass area. Additional recommendations are made, where applicable, on energy conserving options that include thermal storage, heat recovery systems, water heating heat pumps, solar applications, energy management systems, and high efficiency outdoor lighting. More than 9,900 customers under this program have achieved an annual reduction of nearly 102 mW in summer peak demand and annual energy savings of over 202 gWh.

The Tier I and Tier II Commercial Energy Analysis Programs and the Technical Assistance Audit (TAA) programs are designed to provide commercial customers with assistance in identifying cost effective energy conservation opportunities and introduce them to various technologies which will lead to improvements in the energy efficiency level of their business. Nearly 18,000 customers participating in these programs have achieved an annual reduction of over 23 mW in summer peak demand and annual energy savings of nearly 73 gWh.

The Tier I program is a direct mail energy audit program that provides customers with recommendations that, if implemented, would move the customer beyond the efficiency level typically found in the marketplace. The Tier II program is an interactive program that consists of an on-site review by a Gulf Power Company Commercial Energy Consultant of the customer's facility operation, equipment and energy usage pattern. The customer is provided with energy management strategies that enhance their overall

business operation, and customer specific recommendations, including introduction to new technologies, for improving profitability by lowering energy cost.

The Technical Assistance Audit Program is designed with enough flexibility to allow a detailed economic evaluation of potential energy improvements through a more in-depth process which includes equipment energy usage monitoring, computer energy modeling, life cycle equipment cost analysis, and feasibility studies.

The objective of the Commercial Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing Commercial/Industrial customers through the promotion and installation of advanced and emerging geothermal systems. Due to the long life of space conditioning equipment, the choices that are made over the next decade regarding space conditioning equipment will have important economic and environmental ramifications lasting well into the future. Geothermal heat pumps provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher.

Gulf's Real Time Pricing (RTP) program is designed to take advantage of customer price response to achieve peak demand reductions. Customer participation is voluntary. Due to the nature of the pricing arrangement included in this program, there are some practical limitations to customers' ability to participate. These limitations include the ability to purchase energy under a pricing plan which includes price variation and unknown future prices; the transaction costs associated with receiving, evaluating, and acting on prices received on a daily basis; customer risk management policy; and other technical/economic factors. Customers participating in this program typically exhibit approximately 27 mW of reduction in summer peak demand.

Gulf also has an Interruptible Service program which provides the Company with a contracted and callable resource. Participating customers are notified in advance for the need to curtail consumption. Under preset terms and conditions, the customer must reduce demand and energy for the designated period or risk assessment of monetary penalties for noncompliance.

Gulf's Energy Services Program is designed to offer advanced energy services and energy efficient end-use equipment to meet the individual needs of large customers. These energy services include comprehensive audits, design, construction and financing of demand reduction or efficiency improvement energy conservation projects. This program has resulted in a reduction of over 6 mW of summer peak demand and nearly 27 gWh in annual energy savings.

C. STREET LIGHTING CONVERSION

Gulf's Street Lighting program is designed to achieve additional conservation benefits by conversion of existing less efficient mercury vapor street and roadway lighting to higher efficient high pressure sodium lighting. Customers participating in Gulf's outdoor lighting conversion programs have achieved annual energy savings of nearly 11 gWh.

D. CONSERVATION RESULTS SUMMARY

The following tables provide direct estimates of the energy savings (reductions in peak demand and net energy for load) realized by Gulf's conservation programs. These reductions are verified through on-going monitoring in place on Gulf's major conservation programs and reflect estimates of conservation undertaken by customers as a result of Gulf's involvement. The conservation without Gulf's involvement has contributed to further unquantifiable reductions in demand and net energy for load. These unquantifiable additional reductions are captured in the time series regressions in our demand and energy forecasts.

HISTORICAL
TOTAL CONSERVATION PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	320,510	374,913	650,445,064

2006 BUDGET FORECAST
TOTAL CONSERVATION PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	10,027	17,222	18,791,343
2006	10,980	21,870	19,494,652
2007	12,098	23,860	20,740,333
2008	10,883	23,957	21,183,648
2009	11,002	25,160	21,969,944
2010	10,734	24,977	21,741,357
2011	10,707	24,685	21,575,180
2012	10,716	24,844	21,634,472
2013	10,920	27,128	23,034,332
2014	10,982	27,738	23,465,595
2015	9,534	25,461	22,085,405

2006 BUDGET FORECAST
TOTAL CONSERVATION PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	330,537	392,135	669,236,407
2006	341,517	414,005	688,731,059
2007	353,615	437,865	709,471,392
2008	364,498	461,822	730,655,040
2009	375,500	486,982	752,624,984
2010	386,234	511,959	774,366,341
2011	396,941	536,644	795,941,521
2012	407,657	561,488	817,575,993
2013	418,577	588,616	840,610,325
2014	429,559	616,354	864,075,920
2015	439,093	641,815	886,161,325

HISTORICAL
TOTAL RESIDENTIAL CONSERVATION PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	161,235	240,377	336,660,848

2006 BUDGET FORECAST
TOTAL RESIDENTIAL CONSERVATION PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	6,816	14,945	13,358,134
2006	7,727	19,537	13,995,003
2007	8,657	21,430	14,820,964
2008	8,695	22,158	15,187,992
2009	8,815	23,362	15,974,287
2010	8,546	23,179	15,746,721
2011	8,519	22,886	15,567,970
2012	8,528	23,045	15,632,494
2013	8,732	25,329	17,035,250
2014	8,795	25,940	17,464,885
2015	7,517	23,883	16,390,770

2006 BUDGET FORECAST
TOTAL RESIDENTIAL CONSERVATION PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	168,051	255,322	350,018,982
2006	175,778	274,859	364,013,985
2007	184,435	296,289	378,834,949
2008	193,130	318,447	394,022,941
2009	201,945	341,809	409,997,228
2010	210,491	364,988	425,743,949
2011	219,010	387,874	441,311,919
2012	227,538	410,919	456,944,413
2013	236,270	436,248	473,979,663
2014	245,065	462,188	491,444,548
2015	252,582	486,071	507,835,318

HISTORICAL
TOTAL COMMERCIAL/INDUSTRIAL DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	159,275	134,536	302,823,205

2006 BUDGET FORECAST
TOTAL COMMERCIAL/INDUSTRIAL DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	3,211	2,277	5,376,524
2006	3,253	2,333	5,452,813
2007	3,441	2,430	5,872,532
2008	2,188	1,799	5,948,820
2009	2,187	1,798	5,948,820
2010	2,188	1,798	5,948,820
2011	2,188	1,799	5,948,820
2012	2,188	1,799	5,948,821
2013	2,188	1,799	5,948,821
2014	2,187	1,798	5,948,820
2015	2,017	1,578	5,643,663

2006 BUDGET FORECAST
TOTAL COMMERCIAL/INDUSTRIAL DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	162,486	136,813	308,199,729
2006	165,739	139,146	313,652,542
2007	169,180	141,576	319,525,074
2008	171,368	143,375	325,473,894
2009	173,555	145,173	331,422,714
2010	175,743	146,971	337,371,534
2011	177,931	148,770	343,320,354
2012	180,119	150,569	349,269,175
2013	182,307	152,368	355,217,996
2014	184,494	154,166	361,166,816
2015	186,511	155,744	366,810,479

HISTORICAL
TOTAL OTHER DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	0	0	10,961,011

2006 BUDGET FORECAST
TOTAL OTHER DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	56,685
2006	0	0	46,837
2007	0	0	46,837
2008	0	0	46,837
2009	0	0	46,837
2010	0	0	45,816
2011	0	0	58,391
2012	0	0	53,156
2013	0	0	50,261
2014	0	0	51,890
2015	0	0	50,972

2006 BUDGET FORECAST
TOTAL OTHER DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	11,017,696
2006	0	0	11,064,532
2007	0	0	11,111,369
2008	0	0	11,158,205
2009	0	0	11,205,042
2010	0	0	11,250,858
2011	0	0	11,309,248
2012	0	0	11,362,405
2013	0	0	11,412,666
2014	0	0	11,464,556
2015	0	0	11,515,528

HISTORICAL
TOTAL EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	231,399	281,877	547,343,281

2006 BUDGET FORECAST
TOTAL EXISTING DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	2,507	5,736	6,321,654
2006	999	7,157	4,976,897
2007	1,088	7,980	5,495,096
2008	1,127	8,709	5,862,122
2009	1,246	9,914	6,648,418
2010	1,248	9,929	6,658,271
2011	1,220	9,637	6,492,096
2012	1,230	9,796	6,551,384
2013	1,433	12,080	7,951,245
2014	1,497	12,690	8,382,509
2015	1,339	12,059	7,717,827

2006 BUDGET FORECAST
TOTAL EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	233,906	287,613	553,664,936
2006	234,905	294,770	558,641,832
2007	235,993	302,750	564,136,927
2008	237,120	311,459	569,999,049
2009	238,366	321,372	576,647,467
2010	239,614	331,302	583,305,738
2011	240,834	340,939	589,797,833
2012	242,064	350,735	596,349,218
2013	243,497	362,815	604,300,463
2014	244,994	375,505	612,682,972
2015	246,333	387,564	620,400,799

HISTORICAL
RESIDENTIAL EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	120,336	178,166	295,103,340

2006 BUDGET FORECAST
RESIDENTIAL EXISTING DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	2,507	5,736	6,264,969
2006	999	7,157	4,930,060
2007	1,088	7,980	5,448,259
2008	1,127	8,709	5,815,285
2009	1,246	9,914	6,601,581
2010	1,248	9,929	6,612,455
2011	1,220	9,637	6,433,705
2012	1,230	9,796	6,498,228
2013	1,433	12,080	7,900,984
2014	1,497	12,690	8,330,619
2015	1,339	12,059	7,666,855

2006 BUDGET FORECAST
RESIDENTIAL EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	122,843	183,902	301,368,310
2006	123,842	191,059	306,298,370
2007	124,930	199,039	311,746,628
2008	126,057	207,748	317,561,914
2009	127,303	217,661	324,163,495
2010	128,551	227,591	330,775,950
2011	129,771	237,228	337,209,655
2012	131,001	247,024	343,707,883
2013	132,434	259,104	351,608,867
2014	133,931	271,794	359,939,486
2015	135,270	283,853	367,606,341

HISTORICAL
COMMERCIAL/INDUSTRIAL EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	111,063	103,711	241,278,930

2006 BUDGET FORECAST
COMMERCIAL/INDUSTRIAL EXISTING DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	0
2006	0	0	0
2007	0	0	0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

2006 BUDGET FORECAST
COMMERCIAL/INDUSTRIAL EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	111,063	103,711	241,278,930
2006	111,063	103,711	241,278,930
2007	111,063	103,711	241,278,930
2008	111,063	103,711	241,278,930
2009	111,063	103,711	241,278,930
2010	111,063	103,711	241,278,930
2011	111,063	103,711	241,278,930
2012	111,063	103,711	241,278,930
2013	111,063	103,711	241,278,930
2014	111,063	103,711	241,278,930
2015	111,063	103,711	241,278,930

HISTORICAL
OTHER EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	0	0	10,961,011

2006 BUDGET FORECAST
OTHER EXISTING DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	56,685
2006	0	0	46,837
2007	0	0	46,837
2008	0	0	46,837
2009	0	0	46,837
2010	0	0	45,816
2011	0	0	58,391
2012	0	0	53,156
2013	0	0	50,261
2014	0	0	51,890
2015	0	0	50,972

2006 BUDGET FORECAST
OTHER EXISTING DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	11,017,696
2006	0	0	11,064,532
2007	0	0	11,111,369
2008	0	0	11,158,205
2009	0	0	11,205,042
2010	0	0	11,250,858
2011	0	0	11,309,248
2012	0	0	11,362,405
2013	0	0	11,412,666
2014	0	0	11,464,556
2015	0	0	11,515,528

HISTORICAL
TOTAL NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	89,111	93,036	103,101,783

2006 BUDGET FORECAST
TOTAL NEW DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	7,520	11,486	12,469,688
2006	9,981	14,713	14,517,756
2007	11,010	15,880	15,245,238
2008	9,756	15,248	15,321,526
2009	9,756	15,247	15,321,526
2010	9,486	15,047	15,083,086
2011	9,487	15,048	15,083,085
2012	9,486	15,048	15,083,087
2013	9,487	15,048	15,083,087
2014	9,485	15,048	15,083,086
2015	8,195	13,402	14,367,578

2006 BUDGET FORECAST
TOTAL NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	96,631	104,522	115,571,471
2006	106,612	119,235	130,089,227
2007	117,622	135,115	145,334,465
2008	127,378	150,363	160,655,991
2009	137,134	165,610	175,977,517
2010	146,620	180,657	191,060,603
2011	156,107	195,705	206,143,688
2012	165,593	210,753	221,226,775
2013	175,080	225,801	236,309,862
2014	184,565	240,849	251,392,948
2015	192,760	254,251	265,760,526

HISTORICAL
RESIDENTIAL NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	40,899	62,211	41,557,508

2006 BUDGET FORECAST
RESIDENTIAL NEW DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	4,309	9,209	7,093,164
2006	6,728	12,380	9,064,943
2007	7,569	13,450	9,372,706
2008	7,568	13,449	9,372,706
2009	7,569	13,449	9,372,706
2010	7,298	13,249	9,134,266
2011	7,299	13,249	9,134,265
2012	7,298	13,249	9,134,266
2013	7,299	13,249	9,134,266
2014	7,298	13,250	9,134,266
2015	6,178	11,824	8,723,915

2006 BUDGET FORECAST
RESIDENTIAL NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	45,208	71,420	48,650,672
2006	51,936	83,800	57,715,615
2007	59,505	97,250	67,088,321
2008	67,073	110,699	76,461,027
2009	74,642	124,148	85,833,733
2010	81,940	137,397	94,967,999
2011	89,239	150,646	104,102,264
2012	96,537	163,895	113,236,530
2013	103,836	177,144	122,370,796
2014	111,134	190,394	131,505,062
2015	117,312	202,218	140,228,977

HISTORICAL
COMMERCIAL/INDUSTRIAL NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	48,212	30,825	61,544,275

2006 BUDGET FORECAST
COMMERCIAL/INDUSTRIAL NEW DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	3,211	2,277	5,376,524
2006	3,253	2,333	5,452,813
2007	3,441	2,430	5,872,532
2008	2,188	1,799	5,948,820
2009	2,187	1,798	5,948,820
2010	2,188	1,798	5,948,820
2011	2,188	1,799	5,948,820
2012	2,188	1,799	5,948,821
2013	2,188	1,799	5,948,821
2014	2,187	1,798	5,948,820
2015	2,017	1,578	5,643,663

2006 BUDGET FORECAST
COMMERCIAL/INDUSTRIAL NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	51,423	33,102	66,920,799
2006	54,676	35,435	72,373,612
2007	58,117	37,865	78,246,144
2008	60,305	39,664	84,194,964
2009	62,492	41,462	90,143,784
2010	64,680	43,260	96,092,604
2011	66,868	45,059	102,041,424
2012	69,056	46,858	107,990,245
2013	71,244	48,657	113,939,066
2014	73,431	50,455	119,887,886
2015	75,448	52,033	125,531,549

HISTORICAL
OTHER NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2004	0	0	0

2006 BUDGET FORECAST
OTHER NEW DSM PROGRAMS
INCREMENTAL ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	0
2006	0	0	0
2007	0	0	0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

2006 BUDGET FORECAST
OTHER NEW DSM PROGRAMS
CUMULATIVE ANNUAL REDUCTIONS
AT GENERATOR

	SUMMER PEAK (KW)	WINTER PEAK (KW)	NET ENERGY FOR LOAD (KWH)
2005	0	0	0
2006	0	0	0
2007	0	0	0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

VII. SMALL POWER PRODUCTION / RENEWABLE ENERGY

The current forecasts also consider Gulf's active position in the promotion of renewable energy resources. Gulf initiated implementation of a "Green Pricing" pilot program, *Solar for Schools*, to obtain funding for the installation of solar technologies in participating school facilities combined with energy conservation education of students. Initial solicitation began in September 1996 and has resulted in participation of approximately 261 customers contributing \$51,303 through December, 2005. A prototype installation at a local middle school has been completed and the experience gained at this site will be used to design future Solar for Schools installations.

Gulf customers also now have the opportunity to participate in a Florida Public Service Commission approved solar energy project. EarthCents was developed as a renewable energy program that will include a portfolio of renewable energy choices. The EarthCents Solar Program gives customers an opportunity to help pay for the construction of a photovoltaic generating facility. This project is a Southern Company-wide effort; with Gulf and her sister company Alabama Power Company the first to roll out their programs. The facility will be built within Southern Company's territory or the power will be purchased from other photovoltaic generating facilities. Approximately 10,000 customers are initially needed to sign up in order to begin construction of a 1 MW generating facility. As of December, 2005, 70 customers have pledged to purchase a total of 89 hundred-watt blocks of generation at a monthly rate of \$6 per block. The time frame for potential construction will be determined as participation levels increase.

District heating and cooling plants are an older fundamental application of large central station heating and cooling equipment for service to multiple premises in close proximity. These systems are typically located in college or school settings as well as some military bases and industrial plants. Within Gulf's service area there exists a number of these systems which were appropriate or seemed appropriate at the time of their installation. Current day considerations for energy pricing, operating and maintenance expenses have resulted in many of these systems becoming uneconomical and

decommissioned. Future installations of district heating and cooling plants of any consequence hinge primarily upon the opportunity for optimum application of this technology. The very dispersed construction of low rise buildings which are characteristic of the building demographics in Gulf's service area yield no significant opportunities for district heating and cooling that are economically viable on the planning horizon.

GULF POWER COMPANY

Schedule 2.1

History and Forecast of Energy Consumption and
Number of Customers by Customer Class

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Year	Rural and Residential				Commercial			
	Population *	Members per Household	GWH	Average No. of Customers	Average KWH Consumption Per Customer	GWH	Average No. of Customers	Average KWH Consumption Per Customer
1996	752,548	2.62	4,160	287,752	14,457	2,809	42,381	66,271
1997	773,867	2.61	4,119	296,497	13,894	2,898	43,955	65,928
1998	792,805	2.60	4,438	304,413	14,577	3,112	45,510	68,379
1999	811,527	2.60	4,471	312,283	14,318	3,223	47,292	68,141
2000	828,648	2.59	4,790	319,506	14,992	3,379	47,584	71,021
2001	843,896	2.59	4,716	325,343	14,497	3,417	48,482	70,489
2002	860,403	2.59	5,144	331,637	15,510	3,553	49,139	72,304
2003	878,789	2.60	5,101	338,631	15,064	3,614	50,420	71,683
2004	896,144	2.59	5,215	345,467	15,096	3,695	51,981	71,093
2005	906,235	2.59	5,320	350,404	15,181	3,736	52,916	70,598
2006	934,794	2.58	5,370	362,256	14,824	3,818	54,817	69,656
2007	955,765	2.57	5,510	371,343	14,838	3,918	56,263	69,645
2008	972,200	2.57	5,686	378,823	15,010	4,052	57,529	70,430
2009	988,745	2.56	5,822	386,473	15,064	4,160	58,821	70,715
2010	1,006,063	2.55	5,945	394,580	15,067	4,258	60,184	70,752
2011	1,023,910	2.54	6,040	403,029	14,988	4,334	61,605	70,355
2012	1,042,095	2.53	6,173	411,780	14,991	4,440	63,074	70,392
2013	1,061,578	2.52	6,285	421,121	14,924	4,534	64,639	70,137
2014	1,082,924	2.51	6,394	431,123	14,832	4,628	66,309	69,792
2015	1,105,605	2.50	6,513	441,588	14,749	4,724	68,057	69,418
CAAG								
96-05	2.1%	-0.1%	2.8%	2.2%	0.5%	3.2%	2.5%	0.7%
05-10	2.1%	-0.3%	2.2%	2.4%	-0.2%	2.7%	2.6%	0.0%
05-15	2.0%	-0.3%	2.0%	2.3%	-0.3%	2.4%	2.5%	-0.2%

* Historical and projected figures include portions of Escambia, Santa Rosa, Okaloosa, Bay, Walton, Washington, Holmes, and Jackson counties served by Gulf Power Company.

GULF POWER COMPANY

Schedule 2.2

History and Forecast of Energy Consumption and
Number of Customers by Customer Class

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Year	Industrial			Railroads and Railways GWH	Street & Highway Lighting GWH	Other Sales to Public Authorities GWH	Total Sales to Ultimate Consumers GWH
	GWH	Average No. of Customers	Average KWH Consumption Per Customer				
1996	1,808	281	6,434,470	0	17	0	8,794
1997	1,903	277	6,870,216	0	17	0	8,938
1998	1,834	263	6,971,767	0	18	0	9,401
1999	1,846	251	7,355,526	0	18	0	9,558
2000	1,925	270	7,128,700	0	18	0	10,112
2001	2,018	277	7,285,943	0	21	0	10,173
2002	2,054	272	7,550,249	0	21	0	10,772
2003	2,147	285	7,533,179	0	22	0	10,885
2004	2,113	279	7,573,575	0	23	0	11,046
2005	2,161	295	7,324,612	0	23	0	11,239
2006	2,048	335	6,113,700	0	23	0	11,260
2007	2,081	352	5,910,928	0	23	0	11,532
2008	2,089	355	5,883,190	0	24	0	11,850
2009	2,095	358	5,853,127	0	24	0	12,101
2010	2,076	361	5,750,608	0	24	0	12,304
2011	2,056	364	5,648,120	0	24	0	12,455
2012	2,037	367	5,550,025	0	25	0	12,675
2013	2,017	370	5,451,599	0	25	0	12,860
2014	1,997	373	5,352,832	0	25	0	13,044
2015	1,976	376	5,254,730	0	25	0	13,238
CAAG							
96-05	2.0%	0.5%	1.5%	0.0%	3.3%	0.0%	2.8%
05-10	-0.8%	4.1%	-4.7%	0.0%	1.2%	0.0%	1.8%
05-15	-0.9%	2.5%	-3.3%	0.0%	1.1%	0.0%	1.7%

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GULF POWER COMPANY

Schedule 2.3

History and Forecast of Energy Consumption and
Number of Customers by Customer Class

(1)	(2)	(3)	(4)	(5)	(6)
<u>Year</u>	Sales for Resale <u>GWH</u>	Utility Use & Losses <u>GWH</u>	Net Energy for Load <u>GWH</u>	Other Customers <u>(Average No.)</u>	Total No. of <u>Customers</u>
1996	347	521	9,662	157	330,571
1997	342	607	9,887	215	340,944
1998	356	645	10,402	262	350,447
1999	348	558	10,464	286	360,113
2000	363	629	11,105	380	367,740
2001	360	671	11,204	460	374,561
2002	384	754	11,910	474	381,522
2003	383	685	11,952	473	389,809
2004	389	727	12,162	474	398,200
2005	423	666	12,327	472	404,090
2006	406	744	12,410	472	417,881
2007	414	762	12,708	474	428,431
2008	422	784	13,055	476	437,183
2009	428	801	13,329	478	446,129
2010	435	815	13,554	480	455,604
2011	442	826	13,723	482	465,480
2012	451	842	13,967	484	475,705
2013	457	855	14,172	486	486,615
2014	464	868	14,376	488	498,293
2015	471	881	14,591	490	510,511
CAAG					
96-05	2.2%	2.8%	2.7%	13.0%	2.3%
05-10	0.6%	4.1%	1.9%	0.3%	2.4%
05-15	1.1%	2.8%	1.7%	0.4%	2.4%

Note: Sales for Resale and Net Energy for Load include contracted energy allocated to certain customers by Southeastern Power Administration (SEPA).

GULF POWER COMPANY

Schedule 3.1
History and Forecast of Summer Peak Demand - MW
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Year</u>	<u>Total</u>	<u>Wholesale</u>	<u>Retail</u>	<u>Interruptible</u>	<u>Residential Load Management</u>	<u>Residential Conservation</u>	<u>Comm/Ind Load Management</u>	<u>Comm/Ind Conservation</u>	<u>Net Firm Demand</u>
1996	2,196	79	2,118	0	0	100	0	127	1,969
1997	2,283	75	2,208	0	0	107	0	136	2,040
1998	2,406	82	2,324	0	0	115	0	138	2,154
1999	2,448	84	2,363	16	0	120	0	143	2,169
2000	2,558	86	2,472	0	0	128	0	142	2,289
2001	2,528	78	2,450	17	0	137	0	143	2,231
2002	2,755	86	2,669	0	0	145	0	148	2,462
2003	2,583	79	2,504	0	0	153	0	155	2,275
2004	2,752	84	2,667	0	0	161	0	159	2,431
2005	2,766	82	2,684	0	0	168	0	162	2,435
2006	2,812	84	2,728	0	0	176	0	166	2,470
2007	2,885	85	2,800	0	0	184	0	169	2,531
2008	2,940	86	2,854	0	0	193	0	171	2,576
2009	3,003	87	2,916	0	0	202	0	174	2,627
2010	3,063	89	2,975	0	0	210	0	176	2,677
2011	3,114	90	3,025	0	0	219	0	178	2,718
2012	3,152	91	3,061	0	0	228	0	180	2,744
2013	3,206	92	3,114	0	0	236	0	182	2,787
2014	3,266	94	3,172	0	0	245	0	184	2,836
2015	3,328	95	3,234	0	0	253	0	187	2,889
CAAG									
96-05	2.6%	0.4%	2.7%	0.0%	0.0%	6.0%	0.0%	2.7%	2.4%
05-10	2.1%	1.6%	2.1%	0.0%	0.0%	4.6%	0.0%	1.6%	1.9%
05-15	1.9%	1.5%	1.9%	0.0%	0.0%	4.2%	0.0%	1.4%	1.7%

NOTE 1: Includes contracted capacity and energy allocated to certain Resale customers by Southeastern Power Administration (SEPA)

NOTE 2: The forecasted interruptible amounts shown in col (5) are included here for information purposes only. The projected demands shown in column (2), column (4) and column (10) do not reflect the impacts of interruptible. Gulf treats interruptible as a supply side resource.

GULF POWER COMPANY

Schedule 3.2
History and Forecast of Winter Peak Demand - MW
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Year</u>	<u>Total</u>	<u>Wholesale</u>	<u>Retail</u>	<u>Interruptible</u>	<u>Residential Load Management</u>	<u>Residential Conservation</u>	<u>Comm/Ind Load Management</u>	<u>Comm/Ind Conservation</u>	<u>Net Firm Demand</u>
95-96	2,404	82	2,322	0	0	157	0	103	2,144
96-97	2,208	80	2,127	0	0	163	0	105	1,939
97-98	1,981	61	1,919	0	0	171	0	118	1,692
98-99	2,392	79	2,313	0	0	177	0	122	2,093
99-00	2,225	75	2,150	0	0	188	0	126	1,911
00-01	2,486	86	2,401	0	0	200	0	126	2,160
01-02	2,530	85	2,445	0	0	211	0	129	2,190
02-03	2,857	92	2,766	0	0	225	0	133	2,500
03-04	2,445	76	2,369	0	0	240	0	135	2,070
04-05	2,522	89	2,433	0	0	255	0	137	2,130
05-06	2,486	89	2,398	0	0	275	0	139	2,072
06-07	2,785	65	2,721	0	0	296	0	142	2,348
07-08	2,860	66	2,794	0	0	318	0	143	2,398
08-09	2,936	67	2,870	0	0	342	0	145	2,449
09-10	2,978	68	2,910	0	0	365	0	147	2,466
10-11	3,030	69	2,961	0	0	388	0	149	2,493
11-12	3,095	70	3,025	0	0	411	0	151	2,534
12-13	3,163	71	3,092	0	0	436	0	152	2,575
13-14	3,206	72	3,134	0	0	462	0	154	2,590
14-15	3,259	73	3,186	0	0	486	0	156	2,618
CAAG									
96-05	0.5%	0.9%	0.5%	0.0%	0.0%	5.6%	0.0%	3.2%	-0.1%
05-10	3.4%	-5.3%	3.6%	0.0%	0.0%	7.4%	0.0%	1.4%	3.0%
05-15	2.6%	-1.9%	2.7%	0.0%	0.0%	6.7%	0.0%	1.3%	2.1%

NOTE 1: Includes contracted capacity and energy allocated to certain Resale customers by Southeastern Power Administration (SEPA)

NOTE 2: The forecasted interruptible amounts shown in col (5) are included here for information purposes only. The projected demands shown in column (2), column (4) and column (10) do not reflect the impacts of interruptible. Gulf treats interruptible as a supply side resource.

GULF POWER COMPANY

Schedule 3.3
History and Forecast of Annual Net Energy for Load - GWH
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Year</u>	<u>Total</u>	<u>Residential Conservation</u>	<u>Comm/Ind Conservation</u>	<u>Retail</u>	<u>Wholesale</u>	<u>Utility Use & Losses</u>	<u>Net Energy for Load</u>	<u>Load Factor %</u>
1996	10,167	273	232	8,794	347	521	9,662	56.0%
1997	10,408	282	239	8,938	342	607	9,887	55.3%
1998	10,950	292	257	9,401	356	645	10,402	55.0%
1999	11,035	297	274	9,558	348	558	10,464	55.1%
2000	11,690	305	280	10,112	363	629	11,105	55.4%
2001	11,801	314	284	10,173	360	671	11,204	57.3%
2002	12,520	323	288	10,772	384	754	11,910	55.1%
2003	12,584	335	297	10,885	383	685	11,952	60.0%
2004	12,813	348	303	11,046	389	727	12,162	57.1%
2005	12,997	361	308	11,239	423	666	12,327	57.8%
2006	13,098	375	314	11,260	406	744	12,410	57.2%
2007	13,418	390	320	11,532	414	762	12,708	57.3%
2008	13,786	405	325	11,850	422	784	13,055	57.9%
2009	14,082	421	331	12,101	428	801	13,329	57.9%
2010	14,328	437	337	12,304	435	815	13,554	57.6%
2011	14,519	453	343	12,455	442	826	13,723	57.6%
2012	14,784	468	349	12,675	451	842	13,967	58.1%
2013	15,012	485	355	12,860	457	855	14,172	58.0%
2014	15,240	503	361	13,044	464	868	14,376	57.7%
2015	15,477	519	367	13,238	471	881	14,591	57.6%
CAAG								
96-05	2.8%	3.2%	3.2%	2.8%	2.2%	2.8%	2.7%	0.3%
05-10	2.0%	3.9%	1.8%	1.8%	0.6%	4.1%	1.9%	-0.1%
05-15	1.8%	3.7%	1.8%	1.7%	1.1%	2.8%	1.7%	0.0%

NOTE: Wholesale and total columns include contracted capacity and energy allocated to certain Resale customers by Southeastern Power Administration (SEPA).

GULF POWER COMPANY

Schedule 4

Previous Year Actual and Two Year Forecast of Peak Demand and Net Energy for Load by Month

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	2005 Actual		2006 Forecast		2007 Forecast	
<u>Month</u>	<u>Peak Demand</u> <u>MW</u>	<u>NEL</u> <u>GWH</u>	<u>Peak Demand</u> <u>MW</u>	<u>NEL</u> <u>GWH</u>	<u>Peak Demand</u> <u>MW</u>	<u>NEL</u> <u>GWH</u>
January	2,130	922	2,297	993	2,348	1,020
February	1,838	800	2,080	857	2,123	880
March	1,728	874	1,664	866	1,699	889
April	1,613	821	1,807	876	1,853	898
May	2,279	1,037	2,153	1,100	2,222	1,137
June	2,379	1,211	2,355	1,224	2,408	1,255
July	2,435	1,275	2,470	1,313	2,531	1,349
August	2,435	1,293	2,451	1,338	2,483	1,360
September	2,384	1,246	2,307	1,076	2,388	1,117
October	2,182	1,002	1,994	939	2,021	955
November	1,701	863	1,740	863	1,723	859
December	1,957	983	2,111	965	2,151	989

NOTE: Includes contracted capacity and energy allocated to certain Resale customers by Southeastern Power Administration (SEPA)

Gulf Power Company

**Schedule 5
Fuel Requirements**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	<u>Fuel Requirements</u>		<u>Units</u>	<u>Actual 2004</u>	<u>Actual 2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
(1)	Nuclear		Trillion BTU	None	None	None	None	None	None	None	None	None	None	None	None
(2)	Coal		1000 TON	6,218	6,159	6,692	6,799	6,751	6,682	5,929	5,960	5,670	5,911	6,026	6,140
(3)	Residual	Total	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(4)		Steam	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(5)		CC	1000 BBL	None	None	None	None	None	None	None	None	None	None	None	None
(6)		CT	1000 BBL	None	None	None	None	None	None	None	None	None	None	None	None
(7)		Diesel	1000 BBL	None	None	None	None	None	None	None	None	None	None	None	None
(8)	Distillate	Total	1000 BBL	20	19	8	7	9	9	10	8	9	8	8	7
(9)		Steam	1000 BBL	18	17	8	7	8	8	9	8	9	8	8	7
(10)		CC	1000 BBL	None	None	None	None	None	None	None	None	None	None	None	None
(11)		CT	1000 BBL	2	2	0	0	1	1	1	0	0	0	0	0
(12)		Diesel	1000 BBL	None	None	None	None	None	None	None	None	None	None	None	None
(13)	Natural Gas	Total	1000 MCF	17,027	14,716	10,213	12,473	13,739	18,718	23,925	24,137	22,956	24,599	30,539	30,194
(14)		Steam	1000 MCF	109	127	33	0	0	0	0	0	0	0	0	0
(15)		CC	1000 MCF	16,918	14,589	10,180	12,473	13,739	18,718	23,925	24,137	22,956	24,599	30,539	30,194
(16)		CT	1000 MCF	0	0	0	0	0	0	0	0	0	0	0	0
(17)	Other		Trillion BTU	None	None	None	None	None	None	None	None	None	None	None	None

Utility: Gulf Power Company

Schedule 6.1
Energy Sources

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Energy Sources			Units	Actual 2004	Actual 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(1)	Annual Firm Interchange		GWH	(3,695)	(2,712)	(4,720)	(5,009)	(4,779)	(5,100)	(3,753)	(3,698)	(2,612)	(3,193)	(4,056)	(4,076)
(2)	Nuclear		GWH	None	None	None	None	None	None	None	None	None	None	None	None
(3)	Coal		GWH	13,366	12,907	15,615	15,879	15,788	15,635	13,728	13,809	13,148	13,700	13,925	14,206
(4)	Residual	Total	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(5)		Steam	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(6)		CC	GWH	None	None	None	None	None	None	None	None	None	None	None	None
(7)		CT	GWH	None	None	None	None	None	None	None	None	None	None	None	None
(8)		Diesel	GWH	None	None	None	None	None	None	None	None	None	None	None	None
(9)	Distillate	Total	GWH	1	1	0	0	1	1	1	0	0	0	0	0
(10)		Steam	GWH	None	None	None	None	None	None	None	None	None	None	None	None
(11)		CC	GWH	None	None	None	None	None	None	None	None	None	None	None	None
(12)		CT	GWH	1	1	0	0	1	1	1	0	0	0	0	0
(13)	Diesel	GWH	None	None	None	None	None	None	None	None	None	None	None	None	None
(14)	Natural Gas	Total	GWH	2,476	2,117	1,505	1,828	2,035	2,783	3,568	3,602	3,421	3,655	4,497	4,451
(15)		Steam	GWH	1	1	2	0	0	0	0	0	0	0	0	0
(16)		CC	GWH	2,406	2,056	1,390	1,715	1,922	2,670	3,455	3,489	3,308	3,542	4,384	4,338
(17)		CT	GWH	69	60	113	113	113	113	113	113	113	113	113	113
(18)	NUGs		GWH	14	14	10	10	10	10	10	10	10	10	10	10
(19)	Net Energy for Load		GWH	12,162	12,327	12,410	12,708	13,055	13,329	13,554	13,723	13,967	14,172	14,376	14,591

NOTE: Includes energy generated and sold under existing power sales contracts, and energy from projected short term firm purchases.

Utility: Gulf Power Company

Schedule 6.2
Energy Sources

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Energy Sources			Units	Actual 2004	Actual 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(1)	Annual Firm Interchange		%	(30.38)	(22.00)	(38.03)	(39.42)	(36.61)	(38.26)	(27.69)	(26.95)	(18.70)	(22.53)	(28.21)	(27.94)
(2)	Nuclear		%	None	None	None	None	None	None	None	None	None	None	None	None
(3)	Coal		%	109.90	104.71	125.83	124.95	120.93	117.30	101.28	100.63	94.14	96.67	96.86	97.36
(4)	Residual	Total	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(5)		Steam	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6)		CC	%	None	None	None	None	None	None	None	None	None	None	None	None
(7)		CT	%	None	None	None	None	None	None	None	None	None	None	None	None
(8)		Diesel	%	None	None	None	None	None	None	None	None	None	None	None	None
(9)	Distillate	Total	%	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
(10)		Steam	%	None	None	None	None	None	None	None	None	None	None	None	None
(11)		CC	%	None	None	None	None	None	None	None	None	None	None	None	None
(12)		CT	%	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
(13)		Diesel	%	None	None	None	None	None	None	None	None	None	None	None	None
(14)	Natural Gas	Total	%	20.36	17.17	12.13	14.38	15.59	20.88	26.32	26.25	24.49	25.79	31.28	30.51
(15)		Steam	%	0.01	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(16)		CC	%	None	16.68	11.20	13.50	14.72	20.03	25.49	25.42	23.68	24.99	30.50	29.73
(17)		CT	%	0.57	0.49	0.91	0.89	0.87	0.85	0.83	0.82	0.81	0.80	0.79	0.77
(18)	NUGs		%	0.12	0.11	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07
(19)	Net Energy for Load		%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

CHAPTER III

PLANNING ASSUMPTIONS AND PROCESSES

THE INTEGRATED RESOURCE PLANNING PROCESS

As previously mentioned, Gulf participates in the SES IRP process. This process begins with a team of experts from within and outside the SES that meets to discuss current and historical economic trends and conditions, as well as future expected economic conditions and most probable occurrences which would impact the SES's business over the next twenty to twenty-five years. This economic panel determines the various escalation and inflation rates that will impact the financial condition of the SES. This determination acts as a basis for the assumptions surrounding general inflation and escalation that will affect fuel costs, construction costs, labor rates and variable O&M.

In addition to this activity, there are a number of activities which are conducted in parallel with one another in the IRP process. These activities include energy and demand forecasting, fuel price forecasting, technology screening analysis and evaluation, engineering cost estimation modeling, evaluation of active and passive demand-side options, and other miscellaneous issues. SES utilities have also remained active in offering customers options which result in modified consumption patterns. An important input into the design of such demand-side programs is an assessment of their likely impact on utility system loads.

As mentioned earlier, Gulf's forecast of energy sales and peak demand reflects the continued impacts of its conservation programs. Furthermore, an update of demand-side measure cost and benefits is conducted in order to

perform cost-effectiveness evaluations against the selected supply-side technologies in the integration process.

A number of existing generating units on the SES are also evaluated with respect to their currently planned retirement dates, as well as the economics and appropriateness of possible repowering over the planning horizon. The repowering evaluation is particularly important as a possible competing technology with the other unit addition technologies. These evaluations are extremely important in order to maximize the benefit of existing investment from both a capital and an operating and maintenance expense perspective.

Additionally, the market for potential power purchases is analyzed in order to determine their cost-effectiveness in comparison to the available supply-side and demand-side options. Power purchases will be evaluated on both a near-term and long-term basis as a possible means of meeting the system's demand requirements. It is important to remember that power purchases can be procured from utility sources as well as non-utility generators.

The supply side of the IRP process focuses on the SES as a whole which has as its planning criterion a 15.0% reserve margin target for the year 2009 and beyond. This reserve margin is the optimum economic point where the system can meet its energy and demand requirements after accounting for load forecast error, abnormal weather conditions, and unit-forced outage conditions. It also balances the cost of adding additional generation with the societal cost of not serving all the energy requirements of the customer.

Once the necessary assumptions are determined, generating unit technologies are screened to determine the most acceptable candidates, the necessary planning inputs are defined and the generation mix analysis is initiated. The main optimization tool used in the generation mix analysis is the PROVIEW® model. The supply-side technology candidates are input into PROVIEW® in specific MW block sizes for selection over the planning horizon for the entire SES. Although this model uses many data inputs and assumptions in the process of optimizing system generation additions, the key assumptions are load forecasts, DSOs, candidate units, reserve margin requirements, cost of capital, and escalation rates.

PROVIEW® uses a dynamic programming technique to develop the optimum resource mix. This technique allows PROVIEW® to evaluate for every year all the many combinations of generation additions that satisfy the reserve margin constraint. Annual system operating costs are simulated and are added to the construction costs required to build each combination of resource additions. A least cost resource addition schedule is developed by evaluating each year sequentially and comparing the results with each other. A least cost resource plan is developed only after reviewing many construction options.

PROVIEW® produces a number of different combinations over the planning horizon which evaluates both the capital cost components for unit additions as well as the operating and maintenance cost of existing and future supply option additions. The program produces a report which ranks all of the different combinations with respect to the total net present value cost (objective

function) over the entire twenty year planning horizon. The leading combinations from the program are then evaluated for reasonableness and validity. Once again, it is important to note that supply option additions from the PROVIEW® program output are for the entire SES and are reflective of the various technology candidates selected.

After the SES results are verified, each individual operating company's specific needs over the planning horizon are evaluated. Each company is involved in recommending the type and timing of its unit additions. When all companies are satisfied with their capacity additions, and the sum of these additions matches the system need, the system base supply-side plan is complete. The result is an individual operating company supply plan that fits within the SES planning criteria.

Once the individual operating company supply plans are determined, it is necessary to evaluate demand-side options as a cost-effective alternative to the supply plan. After the incorporation of the cost effective demand-side impacts, a final integrated resource plan is produced.

Finally, a financial analysis of the impact of the plan is performed. The plan is analyzed for changes in load forecast and fuel price variations in order to assess the impact on the system's cost. Once the plan has proven to be robust and financially feasible, it is reviewed with and presented for approval to executive personnel.

In summary, the SES IRP process involves a significant amount of manpower and computer resources in order to produce a truly least-cost,

integrated demand-side and supply-side resource plan. During the entire process, the SES is continually looking at a broad range of alternatives in order to meet the SES's projected demand and energy requirements. The SES updates its IRP each year to account for the changes in the demand and energy forecast, as well as the other major assumptions previously mentioned in this section.. A remix is then performed to insure that the IRP is the most economical and cost effective plan. The resulting product of the SES IRP process is an integrated plan which meets the needs of the SES's customers in a cost-effective and reliable manner.

TRANSMISSION PLANNING PROCESS

The transmission system is not studied as a part of the IRP process, but it is studied, nonetheless, for reliability purposes. Commonly, a transmission system is viewed as a medium used to transport electric power from its generation source to the point of its consumption under a number of system conditions, known as contingencies. The results of the IRP are factored into transmission studies in order to determine the impacts of various generation site options upon the transmission system. The transmission system is studied under different contingencies for various load levels to insure that the system can operate adequately without exceeding conductor thermal and system voltage limits.

When the study reveals a potential problem with the transmission system that warrants the consideration of correction in order to maintain or restore

reliability, a number of possible solutions are identified. These solutions and their costs are evaluated to determine which is the most cost-effective. Once a solution is chosen to correct the problem, a capital budget expenditure request is prepared for executive approval. It should be noted that not all thermal overloads or voltage limit violations warrant correction. This may be due to the small magnitude of the problem or because the probability of occurrence is insufficient to justify the capital investment of the solution.

In prior years, Gulf has entered into a series of purchased power agreements to meet its needs, and it will continue this practice in the future when economically attractive opportunities are available. The planned transmission has proven adequate to handle these purchased power transactions during the periods when Gulf has needed additional capacity. It has been and will continue to be Gulf's practice to perform a transmission analysis of all viable purchased power proposals to determine any transmission constraints. Gulf will formulate a plan, if needed, to most cost-effectively solve any problems prior to proceeding with negotiations for purchased power agreements.

FUEL PRICE FORECAST PROCESS

FUEL PRICE FORECASTS

Fuel price forecasts are used for a variety of purposes within the SES, including such diverse uses as long-term generation planning and short-term fuel budgeting. The SES fuel price forecasting process is designed to support these various uses.

The delivered price of any fuel consists of a variety of components. The main components are commodity price and transportation cost. Coal commodity domestic prices are forecast on either a mine-mouth basis or FOB barge basis, while import coals are forecast on a FOB ship basis at the port of export. Natural gas prices are forecast at the Henry Hub, Louisiana benchmark delivery point. Because mine-mouth coal prices vary by source, sulfur content, and Btu level, the SES prepares commodity price forecasts for seventeen different coal classifications used on the SES. Because natural gas does not experience the same quality variations as coal, the SES prepares a single commodity price forecast for gas at Henry Hub, and applies a historical basis differential between Henry Hub and the various pipelines serving the SES's plants. Four price forecasts are developed for oil, based on grade of oil, sulfur and heat content.

The level of detail with which transportation costs are projected depends on the purpose for which the forecast will be used. Generic transportation costs, reflecting an average cost for delivery within the SES territory, are used in the delivered price forecast when modeling generic unit additions in the IRP process. Site-specific transportation costs are developed for existing units to produce

delivered price forecasts for both the IRP process and the fuel budget process. Similarly, when site-specific unit additions are under consideration, site-specific transportation costs are developed for each option.

Given the proposed resource additions in this site plan, the following discussion will focus on the commodity price forecasts for coal and natural gas.

SES GENERIC FUEL FORECAST

Each year, the SES develops a fuel price forecast for coal, oil, and natural gas, which extends through the Company's 10-year planning horizon. This forecast is developed by Southern Company Services (SCS) Fuel Procurement staff with input from outside consultants. The forecast is approved by the fuel procurement managers responsible for the fuel programs of each of the SES operating companies.

The fuel price forecasting process begins with an annual Fossil Fuel Price Workshop that is held with representatives from recognized leaders in energy-related economic forecasting and transportation-related industries. Presenters at the 2005 Fuel Price Workshop included representatives from Energy Ventures Analysis, JD Energy, McClosky Coal, Hill & Associates, Cambridge Energy Research Associates, Canada Imperial Bank of Commerce, Wood Mackenzie, Barclays, and Criton Company.

During the Fossil Fuel Price Workshop, each fuel representative presents their "base case" forecast and assumptions, and high and low fuel price scenarios are discussed.

After the workshop, the SCS Fuel Services Procurement staff references the outside consultant forecasts and identifies any major assumption differences. The Fuel Procurement staff then consolidates both internal and external forecasts and assumptions to develop a commodity forecast for each type of fuel. Fuel Procurement's 2005 commodity price forecasts for 1.0% sulfur coal, low sulfur #2 oil, and natural gas are included in the table below.

SES GENERIC FUEL PRICE FORECAST
(\$/MMBtu)

	<u>COAL*</u>	<u>NAT. GAS**</u>	<u>OIL***</u>
2006	2.4167	11.000	14.495
2007	2.6667	10.000	14.054
2008	2.5208	8.500	13.390
2009	2.4167	7.500	12.290
2010	2.3125	6.750	11.180
2011	2.2292	6.250	10.520
2012	2.1583	6.000	9.860
2013	2.0833	5.880	9.090
2014	2.0417	5.760	8.870
2015	1.9891	5.630	8.620

*Central Appalachia CSX, 12000 Btu/lb., 1% Sulfur

**Henry Hub

***US Gulf Coast LS No.2 Oil, 0.05% Sulfur

COAL PRICE FORECAST

The information provided during the Fuel Price Workshop is used to develop the SES forecast of generic coal prices. In general, coal experienced

real price declines over the last several decades; though this pricing decline on a real basis diminished as lower production cost reserves were depleted. In most regions, there are ample reserves of coal; though all are not economical reserves. The domestic U.S. industry in the past has experienced price pressures from environmental regulations, competition from import coals, and efficient gas turbine technology. In 2005, real price increases were experienced in the Central Appalachia market due to supply/demand imbalances, transportation demand issues, permitting delays, continued demand in the export market, and high natural gas prices. Many producers in this region still struggle financially, and continue to evaluate high cost mining operations. Thus, these factors are shrinking Central Appalachia coal supply and increasing market prices.

The generic coal prices used in the IRP process are based on an average expectation of coal commodity costs combined with average transportation fees. These generic coal prices are used in conjunction with plant specific transportation fees and plant specific contract coal prices to develop the existing fuel price projection for the SES's annual budget process.

NATURAL GAS PRICE FORECAST

As has been the case for several years, gas markets remained tight during the 2005 budget preparation. From January 2005 through the June 2005 Fuel Price Workshop, actual prices tracked the 2004 forecast, as the effect of higher oil prices was offset by mild weather. But from summer through the end of 2005,

the Henry Hub natural gas price doubled as the effect of high oil prices was compounded by severe weather, including June-September temperatures 22% higher than normal, an early tropical storm season, and the devastating impact of two major hurricanes on Gulf of Mexico production.

Analysts' forecasts and forward gas prices available during the budget preparation showed a downward-sloping trend in long-term gas prices. Forecasts anticipated that current high prices would abate gradually in response to increased Liquefied Natural Gas (LNG) imports and a retreat in world oil prices toward \$50 per barrel. The SES budget forecast anticipated stronger oil prices in the near term, and generally followed the high end of the forecast range over the future ten-year period.

NATURAL GAS AVAILABILITY

The SES expects that gas production for southeastern U.S. markets will be flat-to-declining over the next few years. Consequently, LNG imports will be critical to balance supply and demand. Total U.S. LNG imports are estimated to have increased from 0.6 Bcfd in 2002 to approximately 1.8 Bcfd in 2004, but were flat or slightly reduced in 2005. Several new LNG supplies developed in the last year, but strong demand in Europe and Asia frequently pulled LNG cargoes away from the US spot market. In the short run, LNG will continue to grow, though slowly, as new liquefaction projects in Trinidad, Qatar, West Africa and elsewhere provide more supply availability for US markets. Substantial LNG

growth, however, will not occur until the construction of additional worldwide liquefaction capacity in the 2008-2010 time frame.

Despite the lack of growth in near-term gas supply, sufficient supply remains available to meet operating needs; though pricing will remain volatile as a result of the tight balance between demand and supply availability and the higher cost of oil as an alternative fuel.

STRATEGIC ISSUES

Prior to Gulf's last generating unit addition, Plant Smith Unit 3 in April 2002, Gulf executed purchased power agreements that provided flexibility and allowed the Gulf to react quickly to changing market conditions without negative financial impacts. Gulf has again employed this strategy with the issuance of its RFP for 2009 firm capacity. Gulf's latest generation expansion, developed in conjunction with other SES operating company planned capacity additions, indicates the need to build or contract for new internal combined cycle generating capacity with an in-service date of June 2014 in order to reliability meet Gulf's projected load growth. This strategy of supplementing Gulf's development of long-term capacity resources with shorter term power purchases has proven successful, and Gulf will continue to follow this strategy when appropriate and cost-effective to do so in the future.

Another important strategic advantage for Gulf is its association with the SES as it relates to integrated planning and operations. Drawing on the planning resources of SCS to perform coordinated planning and having the capacity resources of the SES available to Gulf through the Intercompany Interchange Contract's reserve sharing mechanism in times when it is temporarily short of reserves are some of the key benefits that Gulf and its customers realize through its association with the SES. In addition, the SES's Generation organization actively pursues firm energy market products at prices that can lead to significant savings to the SES and its customers.

ENVIRONMENTAL CONCERNS

In 2004 and 2005, Gulf completed renewal of Title V air permits for Plants Crist, Lansing Smith, Scholz, and Pea Ridge co-generation facility with only minor changes regarding the implementation of new Compliance Assurance Monitoring (CAM) plans required by the Clean Air Act Amendments (CAAA) of 1990. The Company's next potential generating unit addition is 600 MWs of CC capacity in 2014. It has been and will continue to be Gulf's intent to fully comply with all environmental laws and regulations as they apply to the installation and operation of Gulf's generation facilities.

Gulf's clean air compliance strategy serves as a road map for a least-cost compliance plan. This road map establishes general direction, but allows for individual decisions to be made based on specific information available at the time. This approach is an absolute necessity in maintaining the flexibility to match a dynamic environment with the variety of available compliance options.

Gulf completed its initial CAAA strategy in December 1990 and has produced updates or reviews in subsequent years following this initial strategy. Due to the relatively minor changes in assumptions since the last review and the lack of new information or developments on the regulatory front, this status review serves as a confirmation of the general direction of Gulf's compliance strategy.

The focus of the strategy updates has, to date, centered on compliance with the acid rain requirements, while considering other significant clean air

requirements and potential new requirements of the CAAA. There is an increasing uncertainty associated with future regulatory requirements that could significantly impact both the scope and cost of compliance over the next decade. In 2005, the U. S. Environmental Protection Agency (EPA) finalized the Interstate Air Quality Rule and the Mercury Rule that require reductions in mercury and further reductions in nitrogen oxides (NOx) and sulfur dioxide (SO₂). The SES is in the process of developing a comprehensive strategy required to address these new rule requirements. Gulf will continue its involvement in the development of strategies to address any future clean air requirements in order to minimize the uncertainty related to the scope and cost of compliance.

Phase I of Title IV of the CAAA became effective for SO₂ on January 1, 1995. Fuel procurement and equipment installation efforts to support Gulf's Phase I fuel switching strategy are complete. Gulf has also completed installation of low-NOx burners on two large coal-fired units to support compliance with Title IV NOx requirements. In addition, Gulf brought four Phase II units into Phase I as 1995 substitution units. All of these units were affected for SO₂ and NOx starting in 1995 and are grandfathered at the Phase I NOx limits during Phase II.

With respect to Phase II sulfur dioxide compliance, Gulf is using additional fuel switching coupled with the use of emission allowances banked during Phase I and the acquisition of additional allowances to meet future compliance. Only minor differences in the fuel selection at several plants are needed during Phase II. The updated strategy recommends that Plant Lansing Smith and Plant Scholz

switch to less than 1.5% sulfur coal during Phase II. The previous strategy showed a Phase II switch to a 1.2% or higher sulfur coals.

In 2002, Gulf entered into an agreement with the Florida Department of Environmental Protection (FDEP) to ensure that its electrical generating facility located within the Pensacola, Florida Metropolitan Planning Area supports the Area's compliance with the eight hour ozone ambient air quality standard. The agreement authorized related cost recovery pursuant to Section 366.8255 (1) (d) of the Florida Statutes as amended by the Florida Legislature in its 2002 session and signed into law by the Governor of the State of Florida. Per this agreement Gulf completed installation of pollution control equipment (selective catalytic reduction system & electrostatic precipitator) on Plant Crist Unit 7 to reduce nitrogen oxides and particulates in 2005. Also, as the result of a strategy study in 2004, additional controls utilizing a Selection Non-catalytic Reduction (SNCR) System to reduce nitrogen oxides on Crist Units 4, 5 and 6 will be installed in 2006 to meet the overall facility wide NOx average outlined in the agreement. The agreement also requires the retirement of Crist Units 1-3 before May, 2006. Crist 1 was retired in 2003, and Units 2 and 3 will be retired before May 2006.

As new clean air initiatives emerge, Gulf will support any proposal that would help it meet environmental goals and objectives in a logical and cost effective way. This would include having standards that are based on sound science and economics which allow for adequate time to comply without threatening the safe, reliable and affordable supply of energy.

AVAILABILITY OF SYSTEM INTERCHANGE

Gulf coordinates its planning and operations with the other operating companies of the SES: Alabama Power Company, Georgia Power Company, Mississippi Power Company, Savannah Electric and Power Company, and Southern Power Company. In any year, an individual operating company may have a temporary surplus or deficit in generating capacity, depending on the relationship of its planned generating capacity to its load and reserve responsibility. Each SES operating company either buys or sells its temporary deficit or surplus capacity from or to the pool in order to satisfy its reserve responsibility requirement. This is accomplished through the reserve sharing provisions of the SES IIC that is reviewed and updated annually.

OFF-SYSTEM SALES

Gulf and the other SES operating companies have negotiated the sale of capacity and energy to several utilities outside the SES. The terms of the existing contracts began prior to 2005 and extend into 2010. In addition, new contracts have been finalized, and are scheduled to be in affect from the summer of 2010 until the summer of 2015. Gulf's share of the capacity and energy sales is reflected in the reserves on Schedules 7.1 and 7.2 and the energy and fuel use on Schedules 5 and 6.1.

CHAPTER IV

FORECAST OF FACILITIES REQUIREMENTS

CAPACITY RESOURCE ALTERNATIVES

POWER PURCHASES

Gulf's use of purchased power arrangements in previous years has proven to be a successful approach to meeting its reliability needs.. In order to meet its need for capacity by the summer of 2009 and beyond, longer-term purchased power from the market will be utilized in order to provide supply flexibility and reduced commitment risk during this time period in which environmental regulations (with considerable economic impacts) and legislative initiatives focusing on generation additions are in various stages of development. Gulf will continue to utilize both short-term and longer-term purchased power in the future to balance it approach supply side resource development.

CAPACITY ADDITIONS

In conjunction with the SES, Gulf plans to perform economic evaluations of its potential supply options in order to determine the most cost-effective means of meeting its future capacity obligations. Gulf will evaluate its internal construction options versus external development of capacity resources in order to determine how to best meet its capacity obligations beyond 2009. All commercially available generating technologies such as gas combustion turbine and combined cycle, conventional pulverized coal, and nuclear will be included in future SES IRP mix studies. In addition, emerging integrated gasification combined cycle (IGCC) technologies, such as air blown IGCC, will be added to

the future generation mix studies so that their potential economic and technical viabilities may be evaluated. While there is only limited operational experience that aids in approximating the economic and performance characteristics of full-scale air blown IGCC facilities, the potential benefits of the technology include greater efficiency and lower environmental emissions.

As previously mentioned, Gulf's current capacity resource expansion plan reflects the possible installation of a 600 MW combined cycle generating unit (CC) in 2014 at a yet to be determined site. This potential addition is currently outlined in Schedules 8 and 9 of this document. If subsequent mix studies identify alternative power supply technologies or purchased power options that are more economical or that deliver more desirable results, Gulf will modify its plan to reflect the proposed procurement of these resources. Gulf will continue to review all available capacity resource possibilities in order to ensure that its customer's electricity needs are met in the most dependable and economical manner.

PREFERRED AND POTENTIAL SITES FOR CAPACITY ADDITIONS

At this stage in Gulf's planning process, a commitment to construct the future combined cycle (CC) capacity addition identified on Schedules 8 and 9 of this Ten Year Site Plan has not been made. Therefore, no preferred sites have been identified at this time. However, Gulf has identified three potential sites within Gulf's service area that may prove to be viable locations for the future CC capacity addition identified in this Ten Year Site Plan. These sites have been identified as potential sites for possible CC construction due to the existence of infrastructure, acreage, and/or transmission and fuel facilities. Future studies will determine which of these potential sites are more preferable. Other sites not yet identified, both inside and outside of Gulf's service area, could be considered for possible location of the project as part of Gulf's ongoing planning process.

The potential sites being considered are contained within each of Gulf's existing generation sites in Northwest Florida. These existing generation sites include Plant Crist in Escambia County, Florida, Plant Smith in Bay County, Florida, and Plant Scholz in Jackson, County, Florida.

Each of these potential sites have unique characteristics that could offer construction and/or operational advantages related to the potential installation of natural gas-fired CCs, but detailed studies will be required to further define and evaluate those characteristics. All necessary permits needed for CC construction at each of the above mentioned sites should be obtainable, assuming no major changes in environmental requirements.

The required environmental and land use information for each potential site is set forth below. Please note that the estimated peak water usage for the proposed CCs should be identical for each site mentioned below. Gulf projects that 4000 gallons per minute (gpm) would be required for industrial cooling water needs, while 250 gpm would be required for domestic, irrigation, and other potable and non-potable water uses.

Potential Site #1: Plant Crist, Escambia County

The project site would be located on Gulf's existing Plant Crist property in Escambia County, Florida. If a future project is ultimately located on this property, detailed studies will first be required to determine the exact size and location of the project site within the plant property's boundaries in order to meet Gulf's needs while insuring full compliance with local, state, and federal requirements. The plant property, approximately 10 miles north of Pensacola, Florida, is located on the Escambia River and can be accessed via county roads from nearby U. S. Highway 29. As shown on Schedule 1, the existing Plant Crist facility consists of 996 MW of steam generation.

U. S. Geological Survey (USGS) Map

A USGS map showing the general location of the Plant Crist property is found on page 75 of this chapter.

Land Uses and Environmental Features

The Plant Crist property is dedicated to industrial use. The land adjacent to the property is currently being used for residential, commercial, and industrial purposes. General environmental features of the undeveloped portion of the property include mixed scrub, mixed hardwood/pine forest, and some open grassy areas. This property is located on the Escambia River. There are no unique or significant environmental features on the property would substantially affect project development.

Water Supply Sources

For industrial processing, cooling, and other water needs, Gulf would likely use groundwater from on-site wells or municipal water facilities.

Potential Site #2: Plant Smith, Bay County

The project site would be located on Gulf's existing Plant Smith property in Bay County, Florida. If a future project is ultimately located on this property, detailed studies will first be required to determine the exact size and location of the project site within the plant property's boundaries in order to meet Gulf's needs while insuring full compliance with local, state, and federal requirements. The plant property, approximately 10 miles northwest of Panama City, Florida, is located on North Bay and can be accessed via a county road from nearby State Road 77. As shown on Schedule 1, the existing Plant Smith facility consists of 351 MW of steam generation, 566 MW of combined cycle generation, and 32 MW of CT generation.

U. S. Geological Survey (USGS) Map

A USGS map showing the general location of the Plant Smith property is found on page 76 of this chapter.

Land Uses and Environmental Features

The Plant Smith property is dedicated to industrial use. The land adjacent to the property is rural and consists of planted pine plantations. General environmental features of the property include a mixture of upland and wetland areas. This property is located on North Bay, which connects to St. Andrews Bay. The property has no unique or significant environmental features that would substantially affect project development.

Water Supply Sources

For industrial processing, cooling, and other water needs, Gulf would likely use groundwater from on-site wells.

Potential Site #3: Plant Scholz, Jackson County

The project site would be located on Gulf's existing Plant Scholz property in Jackson County, Florida. If a future project is ultimately located on this property, detailed studies will first be required to determine the exact size and location of the project site within the plant property's boundaries in order to meet Gulf's needs while insuring full compliance with local, state, and federal requirements. The plant property, approximately 3 miles southeast of Sneeds, Florida, is located on the Apalachicola River and can be accessed via a private

road from nearby U. S. Highway 90. As shown on Schedule 1, the existing Plant Scholz facility consists of 92 MW of steam generation.

U. S. Geological Survey (USGS) Map

A USGS map showing the general location of the Plant Scholz property is found on page 77 of this chapter.

Land Uses and Environmental Features

The Plant Scholz property is dedicated to industrial use. The land adjacent to the property is primarily rural and in a natural state, but some agricultural development exists. General environmental features of the property include a mixture of hardwood and pine forest areas. This property is located on the Apalachicola River and has no unique or significant environmental features that would substantially affect project development.

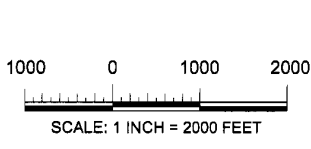
Water Supply Sources

For industrial processing, cooling, and other water needs, Gulf would likely use groundwater from on-site wells.



Notes:

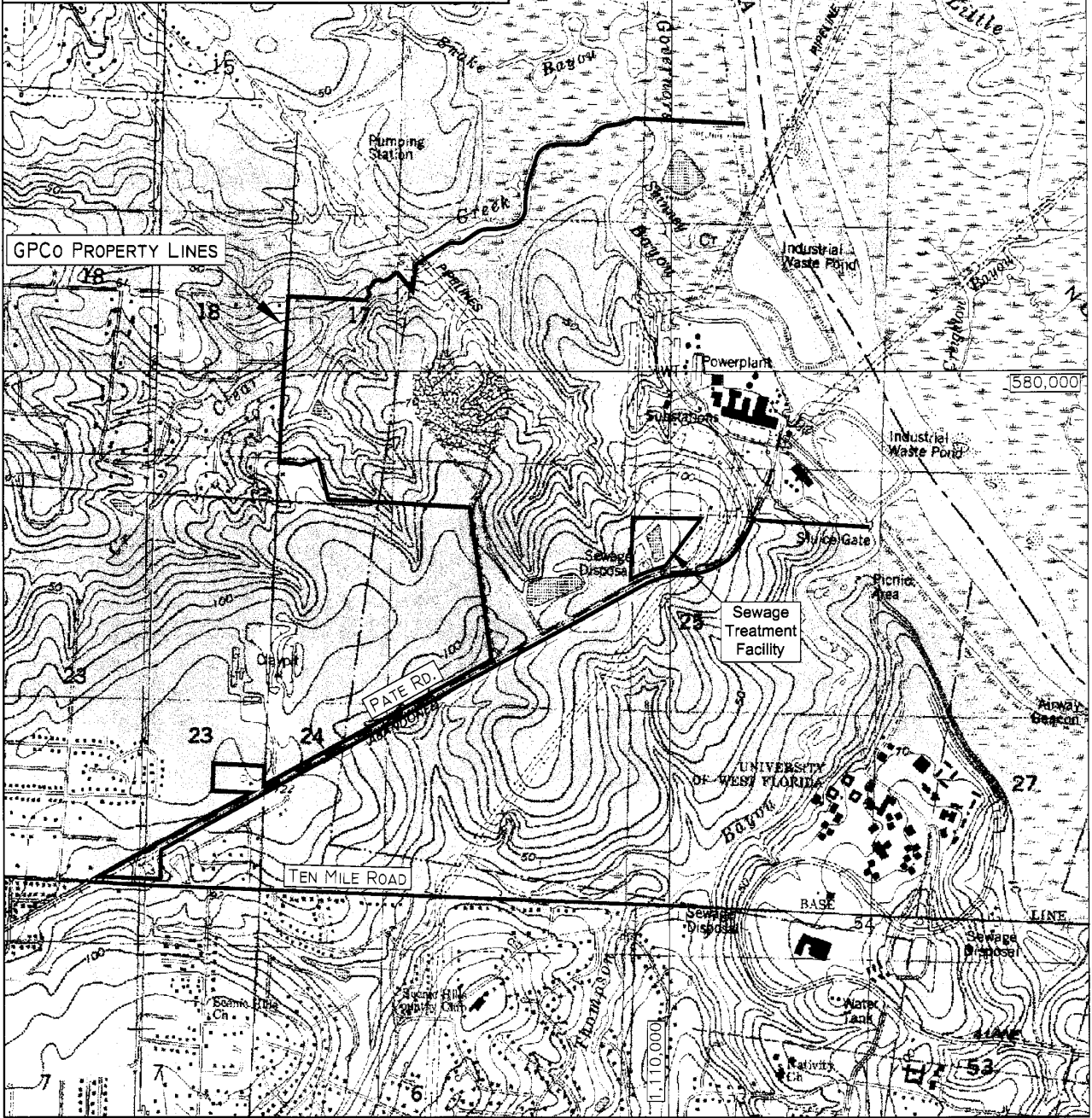
1. Grid lines shown are based on the Florida North Zone (#903), NAD83-90 H.A.R.N. State Plane Coordinate System.
2. Taken from U.S.G.S. Quadrangle Maps "Pace,Fl and Cantonment, Fl."



PLANT CRIST

GULF POWER
A SOUTHERN COMPANY

ONE ENERGY PLACE
PENSACOLA, FL. 32520-0323

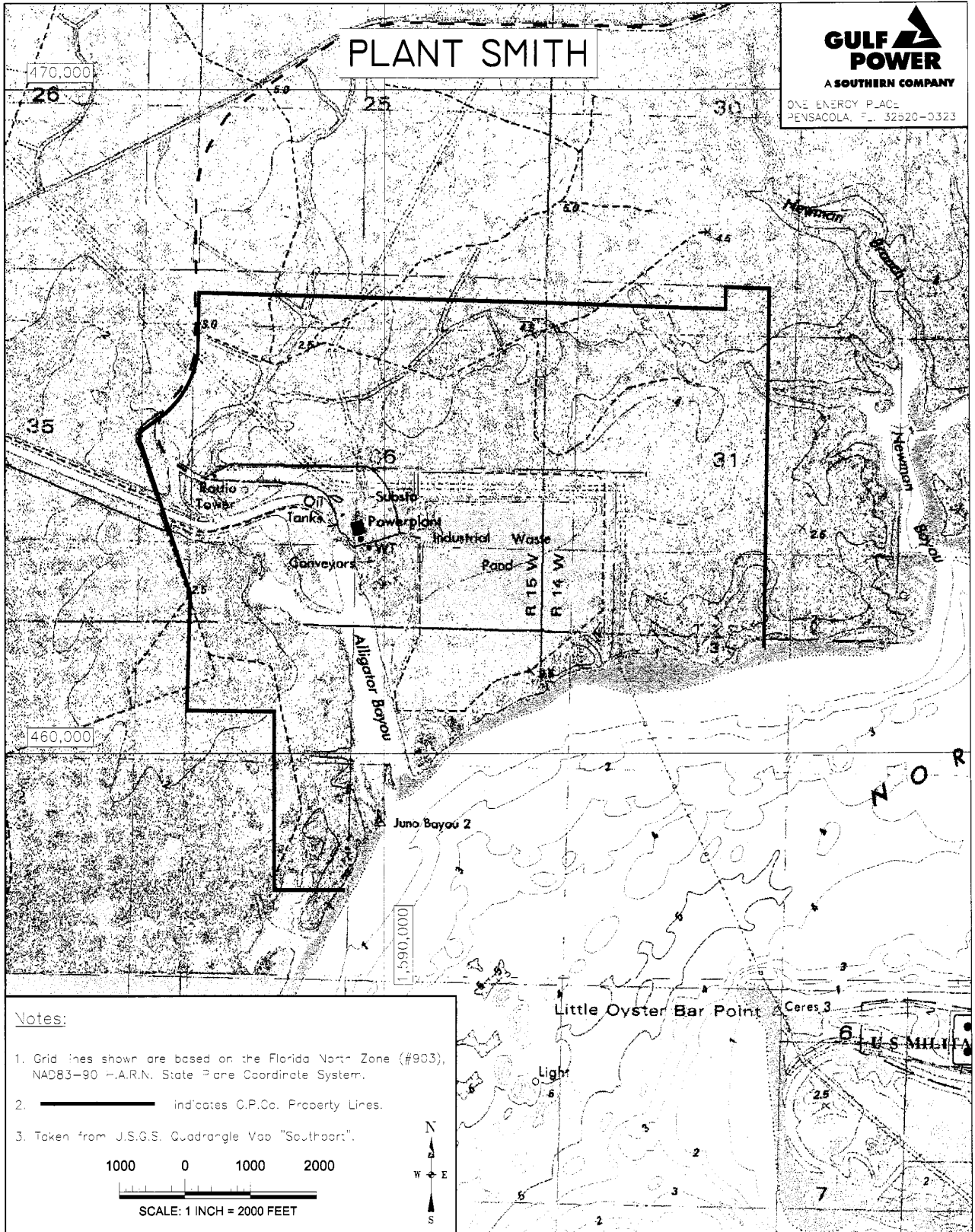




PLANT SMITH



ONE ENERGY PLACE
PENSACOLA, FL 32520-0323

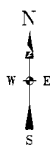


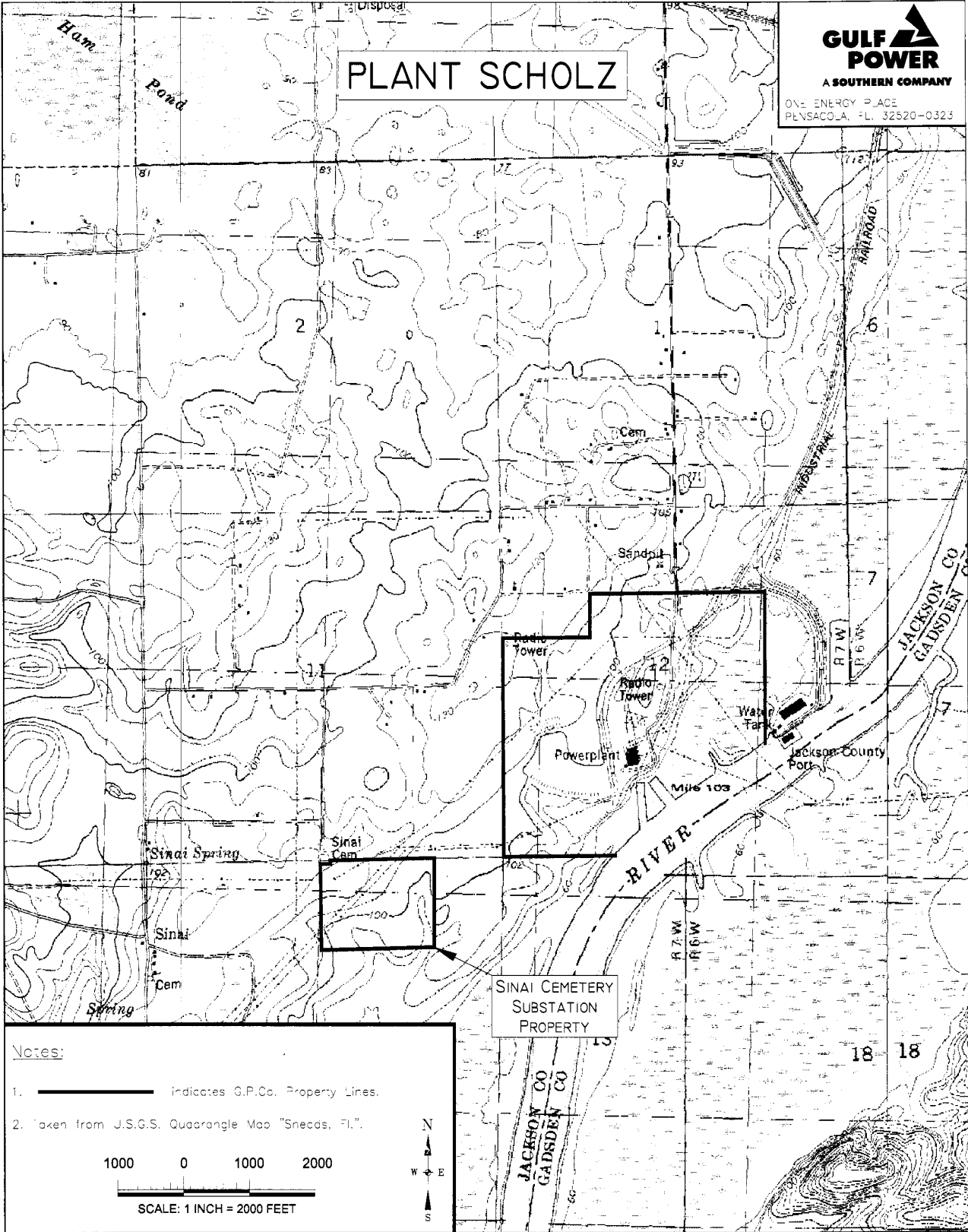
Notes:

1. Grid lines shown are based on the Florida North Zone (#903), NAD83-90 -A.R.N. State Plane Coordinate System.
2. indicates C.P.Co. Property Lines.
3. Taken from J.S.G.S. Quadrangle Map "Southport".

1000 0 1000 2000

SCALE: 1 INCH = 2000 FEET







GULF POWER COMPANY

SCHEDULE 7.1

FORECAST OF CAPACITY, DEMAND, AND SCHEDULED MAINTENANCE AT TIME OF SUMMER PEAK (A)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) (9)		(10)	(11) (12)	
YEAR	TOTAL INSTALLED CAPACITY MW	FIRM CAPACITY IMPORT MW	FIRM CAPACITY EXPORT MW	NUG MW	TOTAL CAPACITY AVAILABLE MW	FIRM PEAK DEMAND MW	RESERVE MARGIN BEFORE MAINTENANCE		SCHEDULED MAINTENANCE MW	RESERVE MARGIN AFTER MAINTENANCE	
							MW	% OF PEAK		MW	% OF PEAK
2006	2,733	0	(211)	0	2,522	2,470	52	2.1%	NONE	52	2.1%
2007	2,733	0	(211)	0	2,522	2,531	(9)	-0.4%		(9)	-0.4%
2008	2,733	0	(211)	0	2,522	2,576	(54)	-2.1%		(54)	-2.1%
2009	2,733	450	(211)	0	2,972	2,627	345	13.1%		345	13.1%
2010	2,718	450	(211)	0	2,957	2,677	280	10.5%		280	10.5%
2011	2,718	450	(211)	0	2,957	2,718	239	8.8%		239	8.8%
2012	2,624	450	(211)	0	2,863	2,744	119	4.3%		119	4.3%
2013	2,624	450	(211)	0	2,863	2,787	76	2.7%		76	2.7%
2014	3,214	0	(211)	0	3,003	2,836	167	5.9%		167	5.9%
2015	3,136	0	(211)	0	2,925	2,889	36	1.2%		36	1.2%

NOTE: (A) CAPACITY ALLOCATIONS AND CHANGES MUST BE MADE BY JUNE 30 TO BE CONSIDERED IN EFFECT AT THE TIME OF THE SUMMER PEAK. ALL VALUES ARE SUMMER NET MW.

GULF POWER COMPANY

SCHEDULE 7.2
FORECAST OF CAPACITY, DEMAND, AND SCHEDULED MAINTENANCE AT TIME OF WINTER PEAK

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) (9)		(10)	(11) (12)	
YEAR	TOTAL INSTALLED CAPACITY MW	FIRM CAPACITY IMPORT MW	FIRM CAPACITY EXPORT MW	NUG MW	TOTAL CAPACITY AVAILABLE MW	FIRM PEAK DEMAND MW	RESERVE MARGIN BEFORE MAINTENANCE		SCHEDULED MAINTENANCE MW	RESERVE MARGIN AFTER MAINTENANCE	
							MW	% OF PEAK		MW	% OF PEAK
2005-06	2,824	0	(211)	0	2,613	2,297	316	13.8%	NONE	316	13.8%
2006-07	2,771	0	(211)	0	2,560	2,348	212	9.0%		212	9.0%
2007-08	2,771	0	(211)	0	2,560	2,398	162	6.8%		162	6.8%
2008-09	2,771	0	(211)	0	2,560	2,449	111	4.5%		111	4.5%
2009-10	2,771	450	(211)	0	3,010	2,466	544	22.1%		544	22.1%
2010-11	2,756	450	(211)	0	2,995	2,493	502	20.1%		502	20.1%
2011-12	2,664	450	(211)	0	2,903	2,534	369	14.6%		369	14.6%
2012-13	2,662	450	(211)	0	2,901	2,575	326	12.7%		326	12.7%
2013-14	2,662	450	(211)	0	2,901	2,590	311	12.0%		311	12.0%
2014-15	3,194	0	(211)	0	2,983	2,618	365	13.9%		365	13.9%

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GULF POWER COMPANY

SCHEDULE 8

PLANNED AND PROSPECTIVE GENERATING FACILITY ADDITIONS AND CHANGES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Plant Name	Unit No.	Location	Unit Type	Fuel		Fuel Transport		Const Start Mo/Yr	Com'l In-Service Mo/Yr	Expected Retirement Mo/Yr	Gen Max Nameplate KW	Net Capability		Status
				Pri	Alt	Pri	Alt					Summer MW	Winter MW	
Lansing Smith	2	Bay County 36/2S/15W	FS	C	--	WA	--	--	06/67	06/06	190,400	6.0	6.0	C
Lansing Smith	3	Bay County 36/2S/15W	CC	NG	--	PL	--	--	04/02	06/06	619,650	(10.0)	0.0	C
Crist	2	Escambia County 25/1N/30W	FS	NG	HO	PL	TK	--	06/49	05/06	28,125	(24.0)	(24.0)	R
Crist	3	Escambia County 25/1N/30W	FS	NG	HO	PL	TK	--	09/52	05/06	37,500	(35.0)	(35.0)	R
Crist	6	Escambia County 25/1N/30W	FS	C	NG	WA	PL	--	05/70	06/10	369,750	(6.0)	(6.0)	D
Crist	7	Escambia County 25/1N/30W	FS	C	NG	WA	PL	--	08/73	06/10	578,000	(9.0)	(9.0)	D
Scholz	1	Jackson County 12/3N/7W	FS	C	--	RR	WA	--	03/53	12/11	49,000	(46.0)	(46.0)	R
Scholz	2	Jackson County 12/3N/7W	FS	C	--	RR	WA	--	10/53	12/11	49,000	(46.0)	(46.0)	R
Daniel	1	Jackson Cnty, MS 42/5S/6W	FS	C	HO	RR	TK	--	09/77	06/12	274,125	(1.0)	(1.0)	D
Daniel	2	Jackson Cnty, MS 42/5S/6W	FS	C	HO	RR	TK	--	06/81	06/12	274,125	(1.0)	(1.0)	D

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GULF POWER COMPANY

SCHEDULE 8

PLANNED AND PROSPECTIVE GENERATING FACILITY ADDITIONS AND CHANGES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Plant Name	Unit No.	Location	Unit Type	Fuel		Fuel Transport		Const Start Mo/Yr	Com'l In-Service Mo/Yr	Expected Retirement Mo/Yr	Gen Max Nameplate KW	Net Capability		Status
				Pri	Alt	Pri	Alt					Summer MW	Winter MW	
Daniel	1	Jackson Cnty, MS 42/5S/6W	FS	C	HO	RR	TK	--	09/77	06/14	274,125	(5.0)	(5.0)	D
Daniel	2	Jackson Cnty, MS 42/5S/6W	FS	C	HO	RR	TK	--	06/81	06/14	274,125	(5.0)	(5.0)	D
Unlocated	A	Unknown	CC	NG	--	PL	--	07/12	06/14	12/34	619,650	600.0	620.0	P
Crist	4	Escambia County 25/1N/30W	FS	C	NG	WA	PL	--	07/59	12/14	93,750	(78.0)	(78.0)	R

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Abbreviations:

- C - Coal
- CT - Combustion Turbine
- CC - Combined Cycle
- NG - Natural Gas
- LO - Light Oil
- HO - Heavy Oil
- PL - Pipeline
- TK - Truck
- RR - Railroad
- WA - Water
- C - Certified Rating change
- D - Environmental derate
- P - Planned, but not authorized by utility
- R - To be retired
- V - Under construction, more than 50% complete

Schedule 9

Status Report and Specifications of Proposed Generating Facilities

(1)	Plant Name and Unit Number:	Unknown
(2)	Capacity	
	a. Summer:	600 MW
	b. Winter:	620 MW
(3)	Technology Type:	High Output Combined Cycle
(4)	Anticipated Construction Timing	
	a. Field construction start - date:	07/12
	b. Commercial in-service date:	06/14
(5)	Fuel	
	a. Primary fuel:	Natural Gas
	b. Alternate fuel:	N/A
(6)	Air Pollution Control Strategy:	Dry low NOx combustor for natural gas SCR
(7)	Cooling Method:	Evaporative cooling
(8)	Total Site Area:	Unknown
(9)	Construction Status:	This facility is planned but not authorized by Utility
(10)	Certification Status:	Not applied
(11)	Status with Federal Agencies:	Not applied
(12)	Projected Unit Performance Data	
	Planned Outage Factor (POF):	5.8%
	Forced Outage Factor (FOF):	5.5%
	Equivalent Availability Factor (EAF):	88.7%
	Resulting Capacity Factor (%):	50.0%
	Average Net Operating Heat Rate (ANOHR):	7,510
(13)	Projected Unit Financial Data	
	Book Life (Years):	30
	Total Installed Cost (In-Service Year \$/kW):	687
	Direct Construction Cost ('05 \$/kW):	534
	AFUDC Amount (\$/kW):	89
	Escalation (\$/kW):	64
	Fixed O&M ('14 \$/kW - Yr):	10.67
	Variable O&M (\$/MWH):	3.04
	K Factor:	1.4801

Gulf Power Company

Schedule 10

Status Report and Specifications of Proposed Directly Associated Transmission Lines

- | | |
|---|---------|
| (1) Point of Origin and Termination: | Unknown |
| (2) Number of Lines: | Unknown |
| (3) Right-of-Way: | Unknown |
| (4) Line Length: | Unknown |
| (5) Voltage: | Unknown |
| (6) Anticipated Construction Timing: | Unknown |
| (7) Anticipated Capital Investment: | Unknown |
| (8) Substations: | Unknown |
| (9) Participation with Other Utilities: | N/A |