

ORIGINAL  
FILE COPY

Jack L. Haskins  
Manager of Rates and Regulatory Matters  
and Assistant Secretary

the southern electric system

January 13, 1995

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 950002-EG

Enclosed for official filing in the above referenced docket are an original and fifteen (15) copies of the following:

587-95<sup>1.</sup> Petition of Gulf Power Company for Approval of Final Conservation Cost Recovery True-up Amounts for October 1993 through September 1994; Estimated Conservation Cost Recovery True-up Amounts for October 1994 through March 1995; and Projected Conservation Cost Recovery Amounts for April 1995 through March 1996; and the Conservation Cost Recovery Factor to be Applied Beginning with the Period April 1995 through March 1996.

588-95<sup>2.</sup> Prepared direct testimony and exhibit of M. D. Neyman.

ACK  Also enclosed is a 3.5 inch double sided, double density  
AFA  diskette containing the Petition in WordPerfect for Windows  
ADP  6.0a format as prepared on a MS-DOS based computer.

CAF  Sincerely,

CAM   
CIB   
EAG  *Jack L. Haskins*

LEA  *Brady - J*  
LEW  *Erstling*  
LIR  *Erstling*  
LIS  Enclosures

GPC   
RCH  cc: Beggs and Lane  
SEC  J. A. Stone, Esq.

WAS   
OTH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery )

) Docket No. 950002-EG

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 13<sup>th</sup> day of January, 1995 to the following:

Floyd R. Self, Esquire  
Messer, Vickers, Caparello,  
French and Madsen  
P. O. Box 1876  
Tallahassee FL 32302

Vicki Kaufman, Esquire  
McWhirter Reeves McGlothlin  
Davidson and Bakas  
315 S. Calhoun St., Suite 716  
Tallahassee FL 32301

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

Sheila Erstling, Esquire  
Staff Counsel  
FL Public Service Commission  
101 East Gaines Street  
Tallahassee FL 32399-0863

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

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

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

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

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

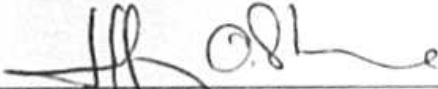
SunShine Pipeline Partners  
400 N. Ashley, Suite 2600  
Tampa FL 33602-4300

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

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

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

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



---

G. EDISON HOLLAND, JR.  
Florida Bar No. 261599  
JEFFREY A. STONE  
Florida Bar No. 325953  
RUSSELL A. BADDERS  
Florida Bar No. 0007455  
Beggs & Lane  
P. O. Box 12950  
Pensacola FL 32576  
(904) 432-2451  
Attorneys for Gulf Power Company

1 Gulf Power Company

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

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

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

11  
12 Q. Are you familiar with the documents concerning the  
13 Energy Conservation Cost Recovery?

14 A. Yes, I am.

15  
16 Q. Have you verified, that to the best of your knowledge  
17 and belief, this information is correct?

18 A. Yes, I have.

19 Counsel: We ask that Ms. Neyman's exhibit consisting of  
20 5 Schedules be marked for identification as:  
21 Exhibit No. \_\_\_\_ (MDN-2)

22 Q. Ms. Neyman, for what purpose are you appearing before  
23 this Commission today?

24 A. I am testifying before this Commission on behalf of Gulf  
25 Power Company regarding matters related to the Energy

1 Conservation Cost Recovery Clause, and to answer any  
2 questions concerning the accounting treatment of  
3 conservation costs in this filing. Specifically, I  
4 address projections for approved programs during the  
5 April, 1995 through March, 1996 recovery period and the  
6 results of those programs during the recovery period,  
7 October, 1994 through March, 1995 (2 months actual, 4  
8 months estimated).

9  
10 Q. Would you summarize for this Commission the deviations  
11 resulting from the actual expenditures from October  
12 through November of the current recovery period?

13 A. Projected expenses for the period were \$402,243 compared  
14 to actual expenses of \$389,245 for a difference of  
15 \$12,998 or 3% below budget. A detailed summary of these  
16 expenses is contained in my Schedule  
17 C-3, pages 1 and 3 and my Schedule C-5, pages 1 through  
18 11.

19  
20 Q. Would you describe the results achieved by the programs  
21 during the current period, October, 1994 through  
22 November, 1994?

23 A. A detailed summary of results for each program is  
24 contained in my Schedule C-5, pages 1 through 11. In  
25 general, the results are below budget for the October,

1 1994, through November, 1994 period. We expect to  
2 achieve all goals over the full six month period.

3

4 Q. Has Gulf Power Company established any new conservation  
5 programs since the beginning of the current recovery  
6 period?

7 A. No. Gulf has not established any new programs during  
8 this period that are being recovered through ECCR.  
9 However, conservation programs may be added in the  
10 future as a result of programs filed in Docket No.  
11 941172-EI, Demand Side Management Plan. New  
12 conservation programs approved for recovery as a result  
13 of action taken in Docket No. 941172-EI will be  
14 addressed in a later filing.

15

16 Q. Would you summarize the conservation program cost  
17 projections for the April, 1995 through March, 1996  
18 recovery period?

19 A. Program costs for the recovery period are projected to  
20 be \$2,112,896. These costs are broken down as follows:  
21 payroll/benefits, \$1,091,362; materials/expenses,  
22 \$421,101; advertising, \$395,860; vehicles, \$62,908;  
23 outside services, \$111,034; and other, \$30,631. More  
24 detail is contained in my Schedule C-2.

25

1 Q. Would you review the expected results for your programs  
2 during the April, 1995 through March, 1996, recovery  
3 period?

4 A. The following is a synopsis of each program goal.

5 (1) Residential Energy Audits - 3,300 audits are  
6 projected to be completed during the period. These  
7 audits emphasize selling customers on making  
8 conservation improvements and making them aware of  
9 the financing options available through the Gulf  
10 Express Loan Program.

11 (2) Energy Audits and Technical Assistance Audits - 485  
12 audits are projected for the period. Emphasis will  
13 be placed on audits for large, complex commercial  
14 customers such as hospitals, hotels and office  
15 buildings. These audits will focus on the benefits  
16 of alternative technologies such as cool storage  
17 space conditioning.

18 (3) Good Cents Building - This program includes both  
19 new and existing commercial customers. 305  
20 installations are projected for the period.  
21 Implementation strategies will concentrate on  
22 architects, engineers, developers and other  
23 decision makers in the construction process.

24 (4) Gulf Express Loan Program - This program provides  
25 below market interest rates to customers as an

1           incentive to install energy conservation features  
2           in their homes. 290 loans are projected for the  
3           period.  
4

5   Q.   Ms. Neyman, what amount does Gulf propose to bill for  
6       the months April, 1995 through March, 1996 as an Energy  
7       Conservation Cost Recovery factor?

8   A.   The factor for these months would be 0.026¢/KWH as shown  
9       on my Schedule C-1, Line 8.  
10

11   Q.   How is the 0.026¢/KWH derived?

12   A.   The net amount of Energy Conservation Costs including  
13       true-up amounts, is \$2,172,829.71. The net Energy  
14       Conservation Costs of \$2,172,829.71 spread over  
15       8,401,626,000 kwh sales for April, 1995 through March,  
16       1996 as shown on my Schedule C-1, Line 4, resulting in a  
17       factor of 0.026¢/KWH.  
18

19   Q.   Ms. Neyman, does this conclude your testimony?

20   A.   Yes, it does.  
21  
22  
23  
24  
25



INDEX

Schedule Number	Title	Pages
C-1	Summary of Cost Recovery Clause Calculation	1
C-2	Estimated Program Costs for April, 1995 - March, 1996	2-4
C-3	Conservation Program Costs for October, 1994 - November, 1994 Actual December, 1994 - March, 1995 Estimated	5-9
C-4	Calculation of Conservation Revenues	10
C-5	Program Descriptions and Progress Reports	11-21

GULF POWER COMPANY  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

For the Period: April, 1995 Through March, 1996

	\$
1. Total Incremental Costs (Schedule C-2, Page 1 of 3, Line 12)	2,112,896.00
2. True Up (Schedule C-3, Page 4 of 5)	59,933.71
	-----
3. Total (Line 1 + Line 2)	2,172,829.71
	=====
4. Retail KWH Sales	8,401,626.000
5. Cost per KWH (Line 3 / Line 4)	0.00025862
6. Revenue Tax	1.01609
7. Adjustment Factor Adjusted for Taxes (Line 5 x Line 6)	0.00026278
8. Conservation Adjustment Factor - (Rounded to nearest .001¢/KWH)	0.026

GULF POWER COMPANY

ESTIMATED CONSERVATION PROGRAM COSTS  
For the Period April, 1995 Through March, 1996

Actual	Capital Investment	Payroll & Benefits	Materials & Expenses	Outside Services	Advertising	Incentives	Vehicles	Other	Program Revenues	TOTAL
1 Residential Energy Audits	0	281,369	27,032	8,253	230,499	0	18,357	403	0	565,913
2 Comm/Ind Good Cents Bldg	0	250,312	9,254	13,718	88,696	0	12,517	0	0	374,497
3 Comm/Ind E A & T A A	0	520,443	24,989	84,524	0	0	30,584	30,228	0	690,768
4 Heat Pipe	0	0	0	0	0	0	0	0	0	0
5 Trip Cost	0	0	20,880	0	0	0	0	0	0	20,880
6 Gulf Express	0	39,238	88,946	4,539	76,665	0	1,450	0	0	210,838
7 Blower Door	0	0	0	0	0	0	0	0	0	0
8 HVAC Tune-Up	0	0	0	0	0	0	0	0	0	0
9 Research & Development	0	0	250,000	0	0	0	0	0	0	250,000
10. Total All Programs	0	1,091,362	421,101	111,034	395,860	0	62,908	30,631	0	2,112,896
11. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0	0
12. Net Program Costs	0	1,091,362	421,101	111,034	395,860	0	62,908	30,631	0	2,112,896

2

GULF POWER COMPANY

ESTIMATED CONSERVATION PROGRAM COSTS  
For the Period April, 1995 Through March, 1996

PROGRAM

	APR	MAY	JUN	JUL	AUG	SEP	6 MONTH						6 MONTH TOTAL	12 MONTH TOTAL	
							TOTAL	OCT	NOV	DEC	JAN	FEB			MAR
1 Residential Energy Audits	46,750	46,750	46,750	46,750	46,750	46,750	280,500	46,750	46,751	46,751	48,387	48,387	48,387	285,413	565,913
2 Comm/Ind Good Cents Bldg	30,939	30,939	30,939	30,939	30,939	30,939	185,634	30,939	30,939	30,939	32,015	32,015	32,016	188,863	374,497
3 Comm/Ind E.A. & T.A.A.	57,129	57,129	57,129	57,129	57,129	57,129	342,774	57,129	57,129	57,129	58,869	58,869	58,869	347,994	690,768
4 Heat Pipe	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Transtext	1,725	1,725	1,725	1,725	1,725	1,725	10,350	1,725	1,725	1,725	1,785	1,785	1,785	10,530	20,880
6 Gulf Express	17,417	17,417	17,417	17,417	17,417	17,417	104,502	17,417	17,417	17,418	18,028	18,028	18,028	106,336	210,838
7 Blower Door	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 HVAC Tune-Up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Research & Development	20,833	20,833	20,833	20,833	20,833	20,833	124,998	20,833	20,833	20,833	20,834	20,834	20,835	125,002	250,000
10 Total All Programs	174,793	174,793	174,793	174,793	174,793	174,793	1,048,758	174,793	174,794	174,795	179,918	179,918	179,920	1,064,138	2,112,896
11 Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Recoverable Conservation Expenses	174,793	174,793	174,793	174,793	174,793	174,793	1,048,758	174,793	174,794	174,795	179,918	179,918	179,920	1,064,138	2,112,896

GULF POWER COMPANY

CONSERVATION PROGRAM COSTS  
 ACTUAL CAPITAL INVESTMENT ANALYSIS  
 For The Period: \_\_\_\_\_ 19\_\_ Through \_\_\_\_\_ 19\_\_

Program Investment Information	Program 1	Program 2	Program 3	Program 4	Program 5	Total for All Programs
1. Actual Investments as of _____ 19__ Averaged over period _____ through _____						
2. Less: Accumulated Depreciation and Amortization - Average						
3. Average Net Investment						
4. Projected Investments Description						
a. Item #1						
b. Item #2						
c. Item #3						
d. Item #4						
5. Total Projected Investments - Net						
6. Total Actual and Projected						
7. Rate of Return (Prorata)(6/12 x ___%)						
8. Return on Investment Projected for Period						
9. Expansion Factor (State & Federal Income Taxes)						
10. Revenue Requirements						
11. Depreciation & Amortization for Period						
12. Total Charges Applicable to Period						

\*\*\*NOT APPLICABLE\*\*\*

4

GULF POWER COMPANY

CONSERVATION PROGRAM COST  
 October, 1994 Through November, 1994, Actual  
 December, 1994 Through March, 1995, Estimated

Actual	Capital Return & Depreciation	Payroll & Benefits	Materials & Expenses	Outside Services	Advertising	Incentives	Vehicles	Other	Program Revenues (Credits)	TOTAL
1 Residential Energy Audits										
a. Actual	0	56,084	1,410	0	77,181	0	3,928	0	0	138,603
b. Estimated	0	112,661	13,925	0	40,538	0	6,121	201	0	173,446
c. Total	0	168,745	15,335	0	117,719	0	10,049	201	0	312,049
2 Comm/Ind Good Cents Bldg										
a. Actual	0	55,559	2,281	0	2,236	0	2,392	0	0	62,467
b. Estimated	0	84,949	3,767	1,724	40,609	0	3,576	0	0	134,626
c. Total	0	140,508	6,048	1,724	42,846	0	5,968	0	0	197,094
3 Comm/Ind E.A. & T.A.A.										
a. Actual	0	96,771	6,966	0	9,023	0	3,917	0	0	116,678
b. Estimated	0	216,712	3,149	29,041	(9,023)	0	6,479	8,534	0	254,891
c. Total	0	313,483	10,116	29,041	0	0	10,396	8,534	0	371,569
4 Heat Pipe										
a. Actual	0	(53)	0	0	0	0	0	0	0	(53)
b. Estimated	0	53	0	0	0	0	0	0	0	53
c. Total	0	0	0	0	0	0	0	0	0	0
5 Transtext										
a. Actual	0	0	4,245	0	0	0	443	0	0	4,688
b. Estimated	0	0	16,187	0	0	0	(443)	0	0	15,744
c. Total	0	0	20,432	0	0	0	0	0	0	20,432
6 Gulf Express										
a. Actual	0	3,637	57,889	0	0	0	0	0	0	61,526
b. Estimated	0	9,115	(1,086)	2,319	44,051	0	0	0	0	54,399
c. Total	0	12,752	56,803	2,319	44,051	0	0	0	0	115,925
7 Blower Door										
a. Actual	0	2,061	0	0	0	0	0	0	0	2,061
b. Estimated	0	3,455	7,932	0	0	0	0	0	0	11,387
c. Total	0	5,516	7,932	0	0	0	0	0	0	13,448
8 HVAC Tune-Up										
a. Actual	0	3,186	0	0	0	0	0	0	0	3,186
b. Estimated	0	(3,186)	0	0	0	0	0	0	0	(3,186)
c. Total	0	0	0	0	0	0	0	0	0	0
9 Research & Development										
a. Actual EUP	0	0	86	0	0	0	0	0	0	86
b. Actual Heat Pump	0	0	4	0	0	0	0	0	0	4
c. Estimated	0	2,388	90,934	0	0	0	0	0	0	93,322
d. Total	0	2,388	91,024	0	0	0	0	0	0	93,412
10 Total All Programs										
	0	643,392	207,688	31,084	204,616	0	26,413	8,735	0	1,123,929

57

GULF POWER COMPANY

CONSERVATION PROGRAM COSTS  
 ACTUAL CAPITAL INVESTMENT ANALYSIS  
 For The Period: \_\_\_\_\_ 19\_\_ Through \_\_\_\_\_ 19\_\_

Program Investment Information	Program 1	Program 2	Program 3	Program 4	Program 5	Total for All Programs
1 Actual Investments as of _____ 19__ Averaged over period _____ through _____						
2 Less: Accumulated Depreciation and Amortization - Average						
3 Average Net Investment						
4 Projected Investments Description a. Item #1 b. Item #2 c. Item #3 d. Item #4				***NOT APPLICABLE***		
5 Total Projected Investments - Net						
6 Total Actual and Projected						
7 Rate of Return (Prorata)(6/12 x ___%)						
8 Return on Investment Projected for Period						
9 Expansion Factor (State & Federal Income Taxes)						
10 Revenue Requirements						
11 Depreciation & Amortization for Period						
12 Total Charges Applicable to Period						

9

GULF POWER COMPANY

CONSERVATION PROGRAM COSTS FOR  
 October, 1994 Through November, 1994 Actual  
 December, 1994 through March, 1995 Estimated

	OCT	ACTUAL NOV	TOTAL	DEC	JAN	ESTIMATED FEB	MAR	TOTAL	TOTAL ACTUAL & ESTIMATED
1. Residential Energy Audits	54,332	84,271	138,603	43,361	43,361	43,361	43,363	173,446	312,049
2. Comm/Ind Good Cents Bldg	35,024	27,443	62,467	33,657	33,657	33,657	33,656	134,627	197,094
3. Comm/Ind E.A. & T.A.A.	60,236	56,441	116,678	63,723	63,723	63,723	63,722	254,891	371,569
4. Heat Pipe Program	(53)	0	(53)	13	13	13	14	53	0
5. Transtext	2,231	2,457	4,688	3,936	3,936	3,936	3,936	15,744	20,432
6. Gulf Express	17,472	44,054	61,526	13,600	13,600	13,600	13,599	54,399	115,925
7. Blower Door	1,047	1,014	2,061	2,847	2,847	2,847	2,846	11,387	13,448
8. HVAC Tune-Up	1,619	1,567	3,186	(797)	(797)	(797)	(795)	(3,186)	0
9. Research & Development				23,331	23,331	23,331	23,329	93,322	93,412
End-Use Profiling	86	0	86						
Geothermal Heat Pump	4	0	4						
9. Total All Programs	171,998	217,247	389,245	183,671	183,671	183,671	183,671	734,684	1,123,929
10. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
11. Net Recoverable	171,998	217,247	389,245	183,671	183,671	183,671	183,671	734,684	1,123,929



GULF POWER COMPANY

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

Conservation Revenues	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. a. Residential Conservation Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. (Other Fees)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Conservation Adjustment Revenues	162,846.71	144,207.15	171,623.32	181,824.15	147,901.07	156,579.64	964,982.04
3. Total Revenues	162,846.71	144,207.15	171,623.32	181,824.15	147,901.07	156,579.64	964,982.04
4. Adjustment not Applicable to Period - Prior True Up	11,391.11	11,391.11	11,391.11	11,391.11	11,391.11	11,391.11	68,346.66
5. Conservation Revenues Applicable to Period	174,237.82	155,598.26	183,014.43	193,215.26	159,292.18	167,970.75	1,033,328.70
6. Conservation Expenses (Form C-3 Page 3 of 5)	171,998.79	217,246.67	183,670.89	183,670.89	183,670.89	183,670.87	1,123,929.00
7. True Up this Period (Line 5 minus Line 6)	2,239.03	(61,648.41)	(656.46)	9,544.37	(24,378.71)	(15,700.12)	(90,600.30)
8. Interest Provision this Period (Page 10, Line 10)	392.43	235.88	0.00	0.00	0.00	0.00	628.31
9. True Up & Interest Provision Beginning of Month	98,384.94	89,625.29	16,821.65	4,774.08	2,927.34	(32,842.48)	98,384.94
10. Prior True Up Collected or Refunded	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(68,346.66)
End of Period- Net True Up	89,625.29	16,821.65	4,774.08	2,927.34	(32,842.48)	(59,933.71)	(59,933.71)

GULF POWER COMPANY

CALCULATION OF CONSERVATION REVENUES  
For the Period: April, 1995 Through March, 1996

	Month	MWH Sales (Net of 3rd Party)	Base Revenue ( \$/KWH)	Clause Revenue Net of Revenue Taxes ( \$/KWH)
	-----	-----	-----	-----
• 1.	10/94	636,407	-	162,846 71
• 2.	11/94	563,563	-	144,207 15
3.	12/94	670,707	-	171,623 32
4.	01/95	710,572	-	181,824 15
5.	02/95	578,000	-	147,901 07
6.	03/95	611,916	-	156,579 64
7.	04/95	560,928	-	143,532 61
8.	05/95	701,099	-	179,400 16
9.	06/95	846,151	-	216,516 67
10.	07/95	879,438	-	225,034 29
11.	08/95	879,699	-	225,101 07
12.	09/95	742,163	-	189,907 79
13.	10/95	622,153	-	159,199 12
14.	11/95	573,646	-	146,786 95
15.	12/95	680,034	-	174,009 96
16.	01/96	713,983	-	182,696 97
17.	02/96	584,366	-	149,530 03
18.	03/96	617,966	-	158,127 74
		-----	-----	-----
	TOTALS	12,172,791	-	3,114,825 38
		=====	=====	=====

• Actual Data

Program Description and Progress

Program Title: Residential Energy Audits

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

Program Projections: For the period April, 1995 through March, 1996, we expect to achieve 3,300 audits and incur expenses totaling \$565,913.

Program Accomplishments: 416 audits were conducted during the period compared to a budget of 517.

Program Fiscal Expenditures: Actual expenses were \$138,603 compared to a budget of \$104,016 for a difference of \$34,587 or 33% above budget. Expenses are over budget due to customers requiring additional information and assistance during each audit.

Program Progress Summary: Since the approval of this program Gulf has performed 115,093 residential energy audits. This is a result of Gulf's promotional campaign to solicit energy audits as well as the overall rapport established with its customers as the "energy experts" in Northwest Florida.

Program Description and Progress

Program Title: Good Cents Building

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

Program Projections: For the period April, 1995 through March, 1996, we expect to achieve 305 Good Cents Building and incur expenses totaling \$347,497.

Program Accomplishments: Our goal during the current period was 151 installations compared to actual installations of 33 for a difference of 118 below goal. The decrease is attributed to a decrease in new construction of commercial buildings.

Program Fiscal Expenditures: Forecasted expenses were \$65,698 compared to actual expenses of \$62,467 for a deviation of \$3,231 under budget. The deviation is primarily due to fewer installations than projected offset to some degree by customers requiring more information for each unit.

Program Progress Summary: A total of 6,567 commercial buildings have qualified for the Good cents certification since the program was developed in 1977.

### Program Description and Progress

Program Title: Energy Audits and Technical Assistance Audits

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

Program Projections: For the period, April, 1995 through March, 1996, we expect to achieve 485 audit and incur expenses totaling \$690,768.

Program Accomplishments: During this period the goal was 268 while actual results were 54 for a difference of 214 below goal. This difference is attributed to two general factors: 1) An energy audit is the full identification of potential kW reduction at the customers facility. While general conservation issues are discussed with the customer under the Customer interface Program; 2) Milder weather conditions contributed to fewer customer requests for Energy Audits.

Program Fiscal Expenditures: Forecasted expenses were \$123,856 compared to actual expenses of \$116,678 for a deviation of \$7,178 under budget. This program is under budget due to fewer customer requests for Energy Audits and offset somewhat by customers requesting more detailed information regarding energy conservation.

Program Progress Summary: A total of 9,897 EA/TAA's have been completed since the program started in January, 1981. These audits have ranged from basic walk-through type for some commercial customers to sophisticated technical assistance audits for other commercial customers.

Program Description and Progress

Program Title: Heat Pipe Dehumidification Program (Pilot)

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

Program Accomplishments: This program is essentially completed. Final reports of the data are being compiled at this time and should be finalized within the first quarter of 1995.

Program Fiscal Expenditures: As reported in the true-up filing dated November 14, 1994, Gulf has reached the cap of \$300,00 for approved expenditures to be recovered through ECCR. No further ECCR expenditures are projected for this program.

### Program Description and Progress

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

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

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

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

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

Program Fiscal Expenditures: Program expenses were forecasted at \$6,810 compared to actual expenses of \$4,688. This program is below budget due to the program reaching its completion. The final report is being reviewed for the possibility of using this program in the future.

Program Description and Progress

Program Title: Gulf Express Loan Program

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

Program Projections: For the period April, 1995 through March, 1996, we expect to complete 290 loans and incur \$210,838 in total expenses.

Program Accomplishments: There were 50 loans forecasted to be completed compared to 93 actual loans completed. This results in a deviation of 43 loans above the goal. The deviation is a result of receiving bank reports that were delayed from earlier months.

Program Fiscal Expenditures: Forecasted expenses were \$66,244 compared to actual expenses of \$61,526 resulting in a deviation of \$4,718 under budget. The expenses are under due to the lag between the loan closing and the subsidy payments being made to the banks.

Program Progress Summary: Since the approval of the permanent program, Gulf has completed 974 Gulf Express Loans.



Program Description and Progress

Program Title: Blower Door Program (Pilot)

Program Description: This program was designed to encourage additional energy conservation measures by identifying duct and infiltration leakage. The testing identified total house infiltration rates and air duct leakage that can affect consumer KWH energy usage and KW demand. The results of the diagnostic testing were used to initiate duct leakage repairs that can be achieved by sealing supply and return ducts of central HVAC systems. Following a Blower Door Post Test, Gulf then monitor the results to determine the reduction of demand and energy savings for the consumer.

Program Accomplishments: This was a pilot program for which the field work was completed prior to this period. There were no Blower Door Tests forecasted to be completed for this reporting period. Final reporting was completed in November, 1993. This report concluded an average of .2 KW demand reduction. We are currently evaluating options for a permanent program.

Program Fiscal Expenditures: The actual expenses of \$2,061 for this project were incurred as a result of program administration and evaluation for future programs.

Program Description and Progress

Program Title: HVAC Tune-Up Program (Pilot)

Program Description: This pilot program was conducted to determine the value of servicing air conditioning equipment provides in relation to peak KW demand and energy (KWH) reduction, and equipment efficiency. Most homeowners do not maintain an ongoing annual clean and check (preventive maintenance agreement) of their HVAC equipment. Preventive maintenance is necessary to maintain the efficiencies originally designated by the manufacturer of the equipment. Gulf Power Company evaluated the direct effect of such servicing and maintenance through its HVAC Tune-Up Program.

Program Accomplishments: There were no HVAC Tune-Ups forecasted for this reporting period. Budgeted dollars were for final administration and reporting. Gulf deemed the program to not be cost effective based on the completed report and program activities as currently defined.

Program Fiscal Expenditures: Actual expenses of \$3,186 were incurred as a result of labor expenses for follow-up administration, reporting, and future program evaluation for modifications that may result in a cost-effective program.

Program Description and Progress

Program Title: Conservation Demonstration and Development

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

Program Accomplishments:

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

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

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

Conservation Demonstration and Development (cont'd)

Project Objectives:

1. Install end-use metering equipment, over a three-year period at 180 sites per year, at a random sampling of commercial, residential and industrial sites operating within the Southern Company System. Thirty of these sites will be Gulf Power Company sites. A detailed site audit will also be administered at each location, consisting of building and equipment data as well as site-specific demographic data.
  - a. The metering plan calls for the following number of sites per year to be metered:

100 sites at Georgia Power Company, 0 sites at Alabama Power Company and 10 sites per year each at Gulf Power Company and 10 sites per year each at Gulf Power Company, Mississippi Power Company and Savannah Electric.
  - b. The major end uses at each site will be metered along with site specific weather data such as temperature and humidity and input and output water temperatures.
  - c. The site audit will include building characteristics, energy using equipment inventory, lighting inventory and occupancy characteristics.
  - d. The first year plan calls for the sites to be selected from the following Commercial sectors:

Churches, Grocery Stores, Health Care, Restaurants and Schools.
  - e. The second year plan calls for metering multi-family residential dwellings and the remaining Commercial sectors: Hotels/Motels, Miscellaneous, Offices, Retail and Warehouses.

Conservation Demonstration and Development (cont'd)

- f. The third year plan calls for metering Industrial sites and Residential Mobile Homes. Residential Single Family homes are currently being end use metered as part of a separate study at Georgia Power Company. The Residential Single Family sample will be augmented with sites from the other operating companies.
2. Collect and analyze data for the development of an end-use database, to be made available to all operating Companies at Southern Company.
3. Utilize end-use data in transferability and forecasting models.
4. Gulf will incur the costs for the 30 sites in the service area. however, all Gulf customers will benefit from the data collected at all 180 sites.

Program Fiscal Expenditures: Gulf's portion of the program expenses were forecasted at \$31,137 compared to actual expenses of \$90 for a deviation of \$31,047 under budget. End-Use Profiling expenses for the period were \$86 while Geothermal Heat Pump expenses were \$4 for the period. The programs are under budget due to over projecting expenses for each project. Since many aspects of the projects are shared within the Southern company, expenses so far have been reduced for both projects.

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 950002-EG

Before me the undersigned authority, personally appeared Margaret D. Neyman, who being first duly sworn, deposes and says that he/she is the Marketing Services Manager at Gulf Power Company and that the foregoing is true and correct to the best of his/her knowledge, information and belief.

Margaret D. Neyman  
Margaret D. Neyman  
Marketing Services Manager

Sworn to and subscribed before me this 16<sup>th</sup> day of

January, 1995.

Connie J. Wilbur  
Notary Public, State of Florida at Large  
Commission No. CC416977

My Commission Expires:



CONNIE J. WILBUR  
My Comm Exp. 10/25/98  
Bonded By Service Ins  
No. CC416977

Personally Known     Other I.D.