

DISCONTINUED

960789-EI

EXHIBIT A

GULF POWER COMPANY

Quarterly CISR Report

Initial Report

Report Period: Second Quarter 1997

Gulf has entered into a CISR during the second quarter of 1997. The CSA was signed by Gulf and a qualified candidate under the terms and conditions set forth in Order No. PSC-96-1219-FOF-EI in Docket No. 960789-EI. Gulf offered and signed the CISR based on extensive analysis and customer specific research.

The customer's product is produced from a nonrenewable resource and was near the end of its originally-expected life. New methods of production are planned based on the custom tailored service agreement (CSA) between the customer and company. Electricity is a substantial portion of the customer's controllable costs. The load from this customer was at risk of being lost to Gulf Power due to the potential for the customer to employ one of several economic alternatives. The most severe alternative was that the customer would cease operations. All of the alternatives would have had a negative impact on Gulf Power Company, its rate payers and the surrounding northwest Florida community.

The CSA contains the following:

1. 7 year term of contract
2. a majority of the load is interruptible
3. Customer pays \$1,866,852.36 per year (in twelve equal monthly installments) for the right to consume up to 212,868,000 Kwh's; actual consumption each month is billed at the otherwise applicable fuel cost recovery charge; annual Kwh consumption above 212,868,000 is billed at .727 cents/Kwh plus applicable fuel cost recovery charges.

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