

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENERGY CONSERVATION COST
RECOVERY CLAUSE**

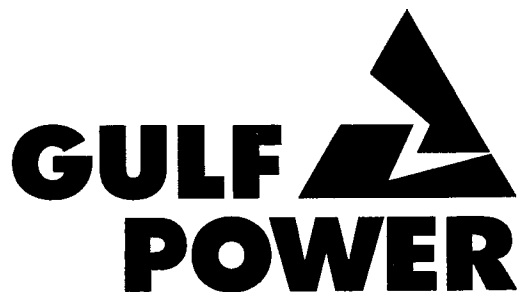
DOCKET NO. 990002-EG

**PREPARED DIRECT TESTIMONY AND
EXHIBIT OF
MARGARET D. NEYMAN**

PROJECTION

JANUARY – DECEMBER 2000

SEPTEMBER 27, 1999



A SOUTHERN COMPANY

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Gulf Power Company

Before the Florida Public Service Commission
Prepared Direct Testimony of
Margaret D. Neyman
Docket No. 990002-EG
September 27, 1999

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

A. My name is Margaret D. Neyman and my business address
is One Energy Place, Pensacola, Florida 32520. I am
employed by Gulf Power Company as the Marketing
Services Manager.

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

A. Yes, I am.

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

A. Yes, I have.

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

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

3 A. I am testifying before this Commission on behalf of
4 Gulf Power Company regarding matters related to the
5 Energy Conservation Cost Recovery Clause and to answer
6 any questions concerning the accounting treatment of
7 conservation costs in this filing. Specifically, I
8 will address projections for approved programs during
9 the January, 2000, through December, 2000, recovery
10 period and the results of those programs during the
11 recovery period, January, 1999, through December, 1999,
12 (8 months actual, 4 months estimated).

13

14 Q. Would you summarize for this Commission the deviations
15 resulting from the actual expenditures for January
16 through August of the current recovery period?

17 A. Projected expenses for the period were \$1,721,412
18 compared to actual expenses of \$1,705,224 for a
19 difference of \$16,188 or 0.01% below budget. A
20 detailed summary of these expenses is contained in my
21 Schedule C-3, pages 1 and 3 and my Schedule C-5, pages
22 1 through 16.

23

24

25

1 Q. Would you describe the results achieved so far this
2 year by the programs during the period, January, 1999,
3 through August, 1999?

4 A. A detailed summary of year-to-date results for each
5 program is contained in my Schedule C-5, pages 1
6 through 16.

7

8 Q. Would you summarize the conservation program cost
9 projections for the January, 2000 through December,
10 2000 recovery period?

11 A. Program costs for the recovery period are projected to
12 be \$2,676,912. These costs are broken down as follows:
13 depreciation/amortization and return, \$427,628;
14 payroll/benefits, \$1,719,320; materials/expenses,
15 \$649,898; and advertising, \$315,325; all of which are
16 offset by program revenues, \$189,128 and credits Gulf
17 will be receiving from the Advanced Energy Management
18 equipment vendor. More detail is contained in my
19 Schedule C-2.

20

21 Q. Would you review the expected results for your programs
22 during the January, 2000, through December, 2000,
23 recovery period?

24 A. The following is a synopsis of each program goal:

25 (1) Residential Energy Audits - During the period,

1 1,500 audits are projected to be completed. These
2 audits emphasize selling customers on making
3 conservation improvements.

4 (2) Residential Mail-In Audit - This is a direct mail
5 energy auditing program. This program builds on
6 the success of Gulf's existing Residential Energy
7 Audit program and will assist in the evaluation of
8 the specific energy requirements of a residential
9 dwelling. Gulf expects 1,500 participants during
10 the projection period.

11 (3) Gulf Express Loan Program - This program is no
12 longer accepting new loans. No units are
13 projected during this period. The projected costs
14 are for the administration of existing loans.

15 (4) In Concert With The Environment - This energy
16 awareness program is designed for 8th and 9th
17 grade students as a supplement to the residential
18 audit program. Beginning in 2000, the program
19 will no longer be promoted as a stand alone
20 program. It will remain available for students
21 until Gulf's contract with the survey/tabulation
22 company expires at the end of 2000.

23 (5) Duct Leakage Repair - The object of the program is
24 to provide the customer with a means to identify
25 house air duct leakage and recommend repairs that

1 can reduce customer kWh energy usage and kW
2 demand. This program will also be made available
3 to any customer desiring it. However, expenses
4 and units are not projected for the 2000
5 projection period.

6 (6) Geothermal Heat Pump - The objective of this
7 program is to reduce the demand and energy
8 requirements of new and existing residential
9 customers through the promotion and installation
10 of geothermal systems. During the projection
11 period, 500 customers are expected to participate
12 in the program.

13 (8) Residential Advanced Energy Management (AEM) - The
14 program is designed to provide the customer with a
15 means of conveniently and automatically controlling
16 and monitoring energy purchases in response to prices
17 that vary during the day and by season in relation to
18 the Company's cost of producing or purchasing energy.
19 The AEM system includes field units utilizing a
20 communication gateway, a radio frequency based Local
21 Area Network, major appliance load control relays,
22 and a programmable thermostat (Superstat), all
23 operating at the customer's home. This program will
24 be marketed under the name "GoodCents Select."
25

1 AEM production units will arrive in late 1999.
2 Gulf expects 6,000 customers to participate in
3 this program by December, 2000. The startup of
4 the program was delayed because of several issues.
5 Please refer to M.D. Neyman testimony, Docket No.
6 980002-EG, January 13, 1998, for a detailed
7 explanation of the factors contributing to the
8 delay in full implementation. As a result of the
9 delays, the schedule for market implementation has
10 been modified. Gulf has increased the number of
11 units to be deployed during the years 2000 to 2003
12 to still accomplish the basic program objective of
13 achieving a total of 80,000 kilowatts of peak
14 demand reduction by year end 2004.

15
16 Despite the unpreventable delays that have
17 occurred, Gulf still believes that the AEM System
18 is a viable program and the development process
19 has produced the most cost-effective solution
20 possible.

21 (9) GoodCents Building - This program includes both
22 new and existing commercial customers. For the
23 projection period, 215 installations are expected.
24 Implementation strategies will concentrate on
25 architects, engineers, developers and other

1 decision makers in the construction process.

2 (10) Energy Audits and Technical Assistance Audits -
3 Gulf projects 125 audits for 2000. Emphasis will
4 be placed on audits for large, complex commercial
5 customers such as hospitals, hotels and office
6 buildings. These audits will focus on the
7 benefits of alternative technologies such as heat
8 pump water heaters and geothermal technologies.

9 (11) Commercial/Industrial Mail-In Audit - This is a
10 direct mail energy auditing program. This program
11 builds on the success of Gulf's existing
12 Commercial/Industrial Energy Audit program and
13 will assist in the evaluation of the specific
14 energy requirements of a given business type.
15 Gulf expects 950 participants during the
16 projection period.

17 (12) Solar for Schools Pilot - This program uses "green
18 pricing" to fund solar technologies in public
19 schools. It also incorporates a school-based
20 energy education component as well as enhanced
21 security lighting for schools.

22 (13) Conservation Demonstration and Development -
23 For this period, 16 research projects have been
24 identified. A detailed description of each
25 project is in Schedule C-2.

1 Q. What has contributed to the under recovery of \$912,032
2 found in Schedule C-3, Page 6 of 7?

3 A. There are three factors that have contributed to the
4 under recovery, 1) the inclusion of Construction Work
5 in Progress (CWIP) associated with the Advanced Energy
6 Management (AEM) program, 2) a mathematical error made
7 in the preparation of the 1999 ECCR Projection filing
8 and, 3) failure of the AEM equipment manufacturer to
9 deliver production units as projected.

10
11 Since 1996 Gulf has made expenditures to develop
12 components of the AEM system. No rate of return
13 associated with this CWIP was included as program
14 related recoverable costs in previous filings. In this
15 filing, Gulf has included the rate of return for CWIP
16 associated with AEM starting January 1, 1999.

17
18 The mathematical error occurred when the supporting
19 C-Schedules were converted to the calendar year basis.
20 This resulted in overstating the 1998 estimated over
21 recovery amount by approximately \$250,000.

22
23 The delay in installation of production units has
24 resulted in a loss of program revenues totaling \$362,400
25 and the additional expense of having the installation

1 contractor on site without units to install
2 (approximately \$600,000).

3
4 These amounts have been offset somewhat by expenses
5 associated with the deployment of the program that Gulf
6 has not incurred.

7

8 Q. Ms. Neyman, what amount does Gulf propose to bill for
9 the months January, 2000, through December, 2000, as
10 Energy Conservation Cost Recovery factors?

11 A. The factors for these months and how they were derived
12 are detailed on Schedule C-1, page 3 of 3.

13

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

15 A. Yes, it does.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

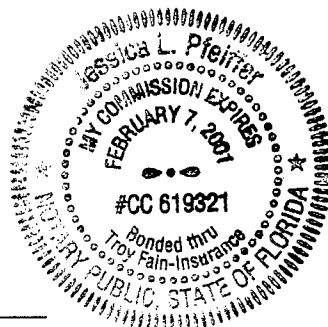
Docket No. 990002-EG

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

Margaret D. Neyman
Margaret D. Neyman
Marketing Services Manager

Sworn to and subscribed before me this 23rd day of September, 1999.

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



INDEX

Schedule Number	Title	Pages
C-1	Summary of Cost Recovery Clause Calculation	1-3
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C-4	Calculation of Conservation Revenues	16
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GULF POWER COMPANY

ENERGY CONSERVATION CLAUSE
SUMMARY OF PROJECTED COST RECOVERY CLAUSE CALCULATION

For the Period: January, 2000 Through December, 2000

	<u>\$</u>
1. Total Program Costs: Projected for 2000 (Schedule C-2 Page 1 of 8, Line 16)	2,676,912
2. True Up: Estimated 1999 (Jan-Aug Actual; Sep-Dec Est.) (Schedule C-3, Page 6 of 7)	<u>912,032</u>
3. Total (Line 1 + Line 2)	<u><u>3,588,944</u></u>
4. Cost Subject to Revenue Taxes	3,588,944
5. Revenue Tax	<u>1,015,970</u>
6. Total Recoverable Cost	<u><u>3,646,259</u></u>

Program costs are split in proportion to the current period split of demand-related and energy-related costs, see below. The allocation of projected ECCR costs between demand and energy is shown on schedule C-2, page 2 of 8, and is consistent with the methodology set forth in Order No. PSC-93-1845-FOF-EG.

7. Total Cost	3,646,259
8. Energy Related Costs	3,091,923
9. Demand Related Costs (total)	554,336
10. Demand Costs Allocated on 12 CP	511,695
11. Demand Costs Allocated on 1/13 th	42,641

	Energy \$	Demand \$ Half of AEM	Total	Energy	Demand	Total Recoverable Costs Including Revenue Taxes
	\$	\$	\$	\$	\$	\$
12. Est/Actual 1999	2,496,525	615,846	3,112,371	743,223	183,374	926,597
13. Percentage	80.21%	19.79%	100.00%			
14. Projected 2000	2,311,783	365,129	2,676,912	2,348,700	370,962	<u>2,719,662</u>
15. Percentage	86.36%	13.64%	100.00%			
16. Total				<u>3,091,923</u>	<u>554,336</u>	<u><u>3,646,259</u></u>

GULF POWER COMPANY
 CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS
 January, 2000 Through December, 2000

Rate Class	A	B	C	D	E	F	G	H	I
	Average 12 CP Load Factor at Meter	Jan 2000 - Dec 2000 Projected KWH Sales at Meter	Jan 2000 - Dec 2000 Projected Avg 12 CP KW at Meter Col B / (8760 hours x Col A)	Demand Loss Expansion Factor	Energy Loss Expansion Factor	Jan 2000 - Dec 2000 Projected KWH Sales at Generation Col B x Col E	Jan 2000 - Dec 2000 Projected Avg 12 CP KW at Generation Col C x Col D	Percentage of KWH Sales at Generation Col F / Total Col F	Percentage of 12 CP KW Demand at Generation Col G / Total Col G
RS, RST	57.217702%	4,669,456,000	931,604.91	1.1019333	1.0766175	5,027,218,045	1,026,566.47	47.18086%	56.09220%
GS, GST	57.820776%	263,807,000	52,083.28	1.1019255	1.0766135	284,018,178	57,391.89	2.66553%	3.13593%
GSD, GSDD	72.316857%	2,195,727,000	346,604.90	1.1016647	1.0764011	2,363,482,958	381,842.38	22.18148%	20.86409%
LP, LPT	85.738506%	1,088,382,000	144,910.99	1.0601470	1.0444167	1,136,724,337	153,626.95	10.66825%	8.39427%
PX, PXT, RTP, SBS	97.623712%	1,680,197,000	196,472.05	1.0313379	1.0235079	1,719,694,903	202,629.07	16.13947%	11.07177%
OS-I, OS-II	299.917227%	87,532,000	3,331.67	1.1020255	1.0766162	94,238,369	3,671.59	0.88443%	0.20062%
OS-III	98.962375%	23,970,000	2,764.99	1.1024447	1.0766529	25,807,370	3,048.25	0.24220%	0.16656%
OS-IV	34.482597%	3,739,000	1,237.80	1.1024447	1.0766529	4,025,605	1,364.61	0.03778%	0.07456%
TOTAL	67.948463%	<u>10,012,810,000</u>	<u>1,679,010.59</u>			<u>10,655,209,765</u>	<u>1,830,141.21</u>	<u>100.00000%</u>	<u>100.00000%</u>

Notes:

Col A - Average 12 CP load factor based on actual 1997 load research data.
 Col C - 8,760 is the number of hours in 12 months.

GULF POWER COMPANY
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS
January, 2000 Through December, 2000

<u>Rate Class</u>	<u>A</u> Percentage of KWH Sales at Generation	<u>B</u> Percentage of 12 CP KW Demand at Generation	<u>C</u> Demand Allocation 12CP	<u>D</u> Demand Allocation 1/13 th	<u>E</u> Energy Allocation	<u>F</u> Total Conservation Costs	<u>G</u> Projected KWH Sales at Meter	<u>H</u> Conservation Recovery Factor cents per KWH
RS, RST	47.18086%	56.09220%	\$287,020	\$20,119	\$1,458,796	\$1,765,935	4,669,456,000	0.038
GS, GST	2.66553%	3.13593%	16,046	1,137	82,416	99,599	263,807,000	0.038
GSD, GSdT	22.18148%	20.86409%	106,761	9,458	685,834	802,053	2,195,727,000	0.037
LP, LPT	10.66825%	8.39427%	42,953	4,549	329,854	377,356	1,088,382,000	0.035
PX, PXT, RTP, SBS	16.13947%	11.07177%	56,654	6,882	499,020	562,556	1,680,197,000	0.033
OS-I, OS-II	0.88443%	0.20062%	1,027	377	27,346	28,750	87,532,000	0.033
OS-III	0.24220%	0.16656%	852	103	7,489	8,444	23,970,000	0.035
OS-IV	0.03778%	0.07456%	382	16	1,168	1,566	3,739,000	0.042
TOTAL			\$511,695	\$42,641	\$3,091,923	\$3,646,259	10,012,810,000	

A Obtained from Schedule C-1, page 2 of 3, col H
B Obtained from Schedule C-1, page 2 of 3, col I
C Total from C-1, page 1, line 10 * col B
D Total from C-1, page 1, line 11 * col A
E Total from C-1, page 1, line 8 * col A
F Total Conservation Costs
G Projected kwh sales for the period January 2000 through December 2000
H Col F / G
Note: Totals may not add due to rounding

GULF POWER COMPANY

PROJECTED CONSERVATION PROGRAM COSTS
For the Period January, 2000 Through December, 2000

Actual	Depre/Amort & Return	Payroll & Benefits	Materials Vehicles & Expenses	Outside Services	Advertising	Incentives	Other	Program Revenues	TOTAL
1. Residential Energy Audits	0	263,257	32,215		100,200				395,672
2. Gulf Express	0	3,735	4,000						7,735
3. In Concert with The Environment	0	0	0						0
4. Good Cents Environmental	0	0	0						0
5. Duct Leakage	0	0	0						0
6. Geothermal Heat Pump	0	142,909	84,241		111,000				338,150
7. Advanced Energy Management	423,629	420,805	296,082		25,000		(246,132)	189,128	730,257
8. Comm/Ind Good Cents Bldg	0	266,698	21,338		24,125				312,161
9. Comm/Ind E.A. & T.A.A.	0	541,956	49,298		5,000				596,254
10. Commercial Mail In Audit	0	28,071	43,000						71,071
11. Solar for Schools	0	4,423	500						4,923
12. Research & Development	3,999	0	118,224						122,223
13. Residential Mail In Audit	0	47,466	1,000		50,000				98,466
14. Total All Programs	427,628	1,719,320	649,898	0	315,325	0	(246,132)	189,128	2,676,912
15. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
16. Net Program Costs	427,628	1,719,320	649,898	0	315,325	0	(246,132)	189,128	2,676,912

Florida Public Service Commission
Docket No. 990002-EG
GULF POWER COMPANY
Witness: Margaret D. Neyman
Exhibit No. _____ (MDN-2)
Schedule C-2
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GULF POWER COMPANY

PROJECTED CONSERVATION PROGRAM COSTS
For the Period January, 2000 Through December, 2000

PROGRAMS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 MONTH TOTAL	DEMAND COSTS	ENERGY COSTS
1. Residential Energy Audits	32,973	32,973	32,973	32,973	32,973	32,973	32,973	32,973	32,973	32,973	32,973	32,969	395,672		395,672
2. Gulf Express	645	645	645	645	645	645	645	645	645	645	645	640	7,735		7,735
3. In Concert with the Environment	0	0	0	0	0	0	0	0	0	0	0	0	0		0
4. Good Cents Environmental	0	0	0	0	0	0	0	0	0	0	0	0	0		0
5. Duct Leakage	0	0	0	0	0	0	0	0	0	0	0	0	0		0
6. Geothermal Heat Pump	28,179	28,179	28,179	28,179	28,179	28,179	28,179	28,179	28,179	28,179	28,179	28,181	338,150		338,150
7. Advanced Energy Management	60,855	60,855	60,855	60,855	60,855	60,855	60,855	60,855	60,855	60,855	60,855	60,852	730,257	365,129	365,128
8. Comm/Ind Good Cents Bldg	26,013	26,013	26,013	26,013	26,013	26,013	26,013	26,013	26,013	26,013	26,013	26,018	312,161		312,161
9. Comm/Ind E.A. & T.A.A.	49,688	49,688	49,688	49,688	49,688	49,688	49,688	49,688	49,688	49,688	49,688	49,686	596,254		596,254
10. Commercial Mail In Audit	5,923	5,923	5,923	5,923	5,923	5,923	5,923	5,923	5,923	5,923	5,923	5,918	71,071		71,071
11. Solar for Schools	410	410	410	410	410	410	410	410	410	410	410	413	4,923		4,923
12. Research & Development	10,185	10,185	10,185	10,185	10,185	10,185	10,185	10,185	10,185	10,185	10,185	10,188	122,223		122,223
13. Residential Mail In Audit	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,200	98,466		98,466
14. Total All Programs	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,065	2,676,912	365,129	2,311,783
15. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16. Recoverable Conservation Expenses	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,077	223,065	2,676,912	365,129	2,311,783

Florida Public Service Commission
 Docket No. 990002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. (MDN-2)
 Schedule C-2
 Page 2 of 5

GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN
Advanced Energy Management
For the Period January, 2000 Through December, 2000

Line No.	Description	Beginning of Period	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Total
1.	Investments (Net of Retirements)		368,294	368,294	368,294	368,294	368,294	368,294	2,209,761
2.	Depreciation Base	1,073,592	1,441,886	1,810,179	2,178,473	2,546,766	2,915,060	3,283,353	
3.	Depreciation Expense (A)		2,684	3,144	4,065	4,986	5,907	6,827	27,613
4.	Cumulative Investment	1,073,592	1,441,886	1,810,179	2,178,473	2,546,766	2,915,060	3,283,353	
5.	Less: Accumulated Depreciation	4,537	7,221	10,365	14,430	19,416	25,323	32,150	
6.	Net Investment	1,069,055	1,434,665	1,799,814	2,164,043	2,527,350	2,889,737	3,251,203	
7.	Average Net Investment		1,251,860	1,617,239	1,981,928	2,345,696	2,708,543	3,070,470	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	
9.	Return Requirement on Average Net Investment		11,149	14,403	17,651	20,891	24,122	27,346	115,562
10.	Total Depreciation & Return (Line 3 + 9)		2,684	17,547	21,716	25,877	30,029	34,173	132,026

Line No.	Description	Beginning of Period	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Total
1.	Investments (Net of Retirements)		368,294	368,294	368,294	368,294	368,294	368,294	2,209,761
2.	Depreciation Base		3,651,647	4,019,940	4,388,234	4,756,527	5,124,821	5,493,114	
3.	Depreciation Expense (A)		7,748	8,669	9,589	10,510	11,431	12,352	60,299
4.	Cumulative Investment	3,283,353	3,651,647	4,019,940	4,388,234	4,756,527	5,124,821	5,493,114	
5.	Less: Accumulated Depreciation	32,150	39,898	48,567	58,156	68,666	80,097	92,449	
6.	Net Investment	3,251,203	3,611,749	3,971,373	4,330,078	4,687,861	5,044,724	5,400,665	
7.	Average Net Investment		3,431,476	3,791,561	4,150,725	4,508,969	4,866,292	5,222,694	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	
9.	Return Requirement on Average Net Investment		30,561	33,768	36,966	40,157	43,339	46,513	231,304
10.	Total Depreciation & Return (Line 3 + 9)		38,309	42,437	46,555	50,667	54,770	58,865	291,603
								TOTAL	423,629

Notes:
(A) AEM Property Additions Depreciated at 3% per year
(B) Revenue Requirement Return is 10.6872%

GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN
Research and Development Energy Education
January, 2000 Through December, 2000

Line No.	Description	Beginning of Period	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Total
1.	Investments (Net of Retirements)				0	0	0	0	
2.	Amortization Base		21,139	21,139	21,139	21,139	21,139	21,139	
3.	Amortization Expense (A)		252	252	252	252	252	252	1,512
4.	Cumulative Investment	21,139	21,139	21,139	21,139	21,139	21,139	21,139	
5.	Less: Accumulated Amortization	12,080	12,332	12,584	12,836	13,088	13,340	13,592	
6.	Net Investment	9,059	8,807	8,555	8,303	8,051	7,799	7,547	
7.	Average Net Investment		8,933	8,681	8,429	8,177	7,925	7,673	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	
9.	Return Requirement on Average Net Investment		80	77	75	73	71	68	444
10.	Total Amortization & Return (Line 3 + 9)		332	329	327	325	323	320	1,956

Line No.	Description	Beginning of Period	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Total
1.	Investments (Net of Retirements)		0	0	0	0	0	0	
2.	Amortization Base		21,139	21,139	21,139	21,139	21,139	21,139	
3.	Amortization Expense (A)		252	252	252	252	252	252	1,512
4.	Cumulative Investment	21,139	21,139	21,139	21,139	21,139	21,139	21,139	
5.	Less: Accumulated Amortization	13,592	13,844	14,096	14,348	14,600	14,852	15,104	
6.	Net Investment	7,547	7,295	7,043	6,791	6,539	6,287	6,035	
7.	Average Net Investment		7,421	7,169	6,917	6,665	6,413	6,161	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	
9.	Return Requirement on Average Net Investment		66	64	62	59	57	55	363
10.	Total Amortization & Return (Line 3 + 9)		318	316	314	311	309	307	1,875

TOTAL 3,831

Notes:
(A) 1995 Additions Amortized over 7 Year Period
(B) Revenue Requirement Return is 10.6872%

GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

Research and Development Commercial Technology
For the Period January, 2000 Through December, 2000

Line No.	Description	Beginning of Period	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Total
1.	Investments (Net of Retirements)				0	0	0	0	
2.	Amortization Base		939	939	939	939	939	939	
3.	Amortization Expense (A)		11	11	11	11	11	11	66
4.	Cumulative Investment	939	939	939	939	939	939	939	
5.	Less: Accumulated Amortization	537	548	559	570	581	592	603	
6.	Net Investment	402	391	380	369	358	347	336	
7.	Average Net Investment		397.00	386.00	375.00	364.00	353.00	342.00	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	
9.	Return Requirement on Average Net Investment		4	3	3	3	3	3	19
10.	Total Amortization & Return (Line 3 + 9)		15	14	14	14	14	14	85

Line No.	Description	Beginning of Period	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Total
1.	Investments (Net of Retirements)		0	0	0	0	0	0	
2.	Amortization Base		939	939	939	939	939	939	
3.	Amortization Expense (A)		11	11	11	11	11	11	66
4.	Cumulative Investment	939	939	939	939	939	939	939	
5.	Less: Accumulated Amortization	603	614	625	636	647	658	669	
6.	Net Investment	336	325	314	303	292	281	270	
7.	Average Net Investment		331	320	309	298	287	276	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	0.8906%	
9.	Return Requirement on Average Net Investment		3	3	3	3	3	2	17
10.	Total Amortization & Return (Line 3 + 9)		14	14	14	14	14	13	83

TOTAL 168

Notes:

- (A) 1995 Additions Amortized over 7 Year Period
- (B) Revenue Requirement Return is 10.6872%

GULF POWER COMPANY
CONSERVATION PROGRAM COST
January, 1999 Through August, 1999, Actual
September, 1999 Through December, 1999, Estimated

Actual	Capital Return & Depreciation	Payroll & Benefits	Materials Vehicles & Expenses	Outside Services	Advertising	Incentives	Other	Program Revenues (Credits)	TOTAL
1. Residential Energy Audits									
a. Actual	0.00	158,975.98	24,122.77	0.00	7,121.25	0.00	0.00	0.00	190,220.00
b. Estimated	0.00	94,343.02	(2,539.77)	0.00	93,378.75	0.00	0.00	0.00	185,182.00
c. Total	0.00	253,319.00	21,583.00	0.00	100,500.00	0.00	0.00	0.00	375,402.00
2. Gulf Express									
a. Actual	0.00	2,374.68	(4,555.42)	0.00	0.00	0.00	0.00	0.00	(2,180.74)
b. Estimated	0.00	1,117.32	11,455.42	0.00	0.00	0.00	0.00	0.00	12,572.74
c. Total	0.00	3,492.00	6,900.00	0.00	0.00	0.00	0.00	0.00	10,392.00
3. In Concert with the Environment									
a. Actual	0.00	7,290.68	920.33	0.00	0.00	0.00	0.00	0.00	8,211.01
b. Estimated	0.00	(7,290.68)	(920.33)	0.00	0.00	0.00	0.00	0.00	(8,211.01)
c. Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Environmental Good Cents Home									
a. Actual	0.00	0.00	(42.22)	0.00	0.00	0.00	0.00	0.00	(42.22)
b. Estimated	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Total	0.00	0.00	(42.22)	0.00	0.00	0.00	0.00	0.00	(42.22)
5. Duct Leakage									
a. Actual	0.00	197.06	25.35	0.00	0.00	0.00	0.00	0.00	222.41
b. Estimated	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Total	0.00	197.06	25.35	0.00	0.00	0.00	0.00	0.00	222.41
6. Geothermal Heat Pump									
a. Actual	0.00	56,713.60	27,509.30	0.00	25,835.22	0.00	0.00	0.00	110,058.12
b. Estimated	0.00	88,041.40	50,167.70	0.00	85,852.78	0.00	0.00	0.00	224,061.88
c. Total	0.00	144,755.00	77,677.00	0.00	111,688.00	0.00	0.00	0.00	334,120.00
7. Advanced Energy Management									
a. Actual	76,090.35	138,592.81	595,691.23	0.00	1,728.00	0.00	0.00	0.00	812,102.39
b. Estimated	47,852.29	83,616.00	292,652.00	0.00	0.00	0.00	0.00	4,530.00	419,590.29
c. Total	123,942.64	222,208.81	888,343.23	0.00	1,728.00	0.00	0.00	4,530.00	1,231,692.68
8. Comm/Ind Good Cents Bldg									
a. Actual	0.00	163,329.84	20,831.80	0.00	0.00	0.00	0.00	0.00	184,161.64
b. Estimated	0.00	(15,463.84)	1,004.20	0.00	25,125.00	0.00	0.00	0.00	10,665.36
c. Total	0.00	147,866.00	21,836.00	0.00	25,125.00	0.00	0.00	0.00	194,827.00
9. Comm/Ind E.A. & T.A.A.									
a. Actual	0.00	320,173.17	52,521.52	0.00	432.00	0.00	0.00	0.00	373,126.69
b. Estimated	0.00	211,480.83	25,301.48	0.00	9,568.00	0.00	0.00	0.00	246,350.31
c. Total	0.00	531,654.00	77,823.00	0.00	10,000.00	0.00	0.00	0.00	619,477.00
10. Commercial Mail In Audit									
a. Actual	0.00	16,043.67	10,357.11	0.00	0.00	0.00	0.00	0.00	26,400.78
b. Estimated	0.00	9,331.33	54,642.89	0.00	0.00	0.00	0.00	0.00	63,974.22
c. Total	0.00	25,375.00	65,000.00	0.00	0.00	0.00	0.00	0.00	90,375.00
11. Solar for Schools									
a. Actual	0.00	3,237.95	730.09	0.00	0.00	0.00	0.00	0.00	3,968.04
b. Estimated	0.00	2,850.05	(230.09)	0.00	0.00	0.00	0.00	0.00	2,619.96
c. Total	0.00	6,088.00	500.00	0.00	0.00	0.00	0.00	0.00	6,588.00
12. Research & Development									
a. Actual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Actual Geothermal Heat Pump	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Actual FCG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Actual Desiccant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Actual Energy Education	2,802.14	0.00	27,102.46	0.00	0.00	0.00	0.00	0.00	29,904.60
f. Actual Commercial Technology	124.48	0.00	8,980.78	0.00	0.00	0.00	0.00	0.00	9,105.24
g. Actual PJC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h. Actual Slinky Loop	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i. Actual Dunes	0.00	0.00	87.12	0.00	0.00	0.00	0.00	0.00	87.12
j. Actual Van Norman	0.00	0.00	81.90	0.00	0.00	0.00	0.00	0.00	81.90
k. Actual Shores	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
l. Actual Sleep Inn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
m. Actual Closed Loop Dentist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
n. Actual GCCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
o. Actual H2O Pur.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
p. Actual Joe Ridge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
q. Actual Jim Day	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
r. Actual Burger King	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
s. Actual Hampton	0.00	0.00	788.95	0.00	0.00	0.00	0.00	0.00	788.95
t. Actual Boardwalk	0.00	0.00	58.72	0.00	0.00	0.00	0.00	0.00	58.72
u. Total Actual	2,926.62	0.00	37,099.91	0.00	0.00	0.00	0.00	0.00	40,026.53
v. Estimated	1,409.38	0.00	110,600.09	0.00	0.00	0.00	0.00	0.00	112,009.47
w. Total	4,336.00	0.00	147,700.00	0.00	0.00	0.00	0.00	0.00	152,036.00
13. Residential Mail In Audit									
a. Actual	0.00	29,495.20	5,544.91	0.00	0.00	0.00	0.00	0.00	35,040.11
b. Estimated	0.00	16,785.80	(4,544.91)	0.00	50,000.00	0.00	0.00	0.00	62,240.89
c. Total	0.00	46,281.00	1,000.00	0.00	50,000.00	0.00	0.00	0.00	97,281.00
14. Total All Programs									
	128,278.64	1,381,235.87	1,308,345.36	0.00	299,041.00	0.00	0.00	4,530.00	3,112,370.87

GULF POWER COMPANY
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN
 Advanced Energy Management
 For the Period January, 1999 Through December, 1999

Line No.	Beginning of Period	January	February	March	April	May	June	July	August	Projected September	Projected October	Projected November	Projected December	Total
1. Investments (Net of Retirements)	1,057,085.54	0.00	0.00	12,860.01	3,611.49	0.00	0.00	34.57	0.00	0.00	1,155,434.61	163,686.00	245,529.00	
2. Depreciation Base		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,155,434.61	1,319,120.61	1,564,649.61	
3. Depreciation Expense (A)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,444.29	3,093.19	4,537.48
4. Cumulative Investment	1,057,085.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,155,434.61	1,319,120.61	1,564,649.61	
5. Less: Accumulated Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,444.29	4,537.48	
6. Net Investment	1,057,085.54	1,057,085.54	1,057,085.54	1,069,945.55	1,073,557.04	1,073,557.04	1,073,557.04	1,073,591.61	1,073,591.61	1,073,591.61	1,155,434.61	1,317,676.32	1,560,112.13	
7. Average Net Investment		1,057,085.54	1,057,085.54	1,063,515.55	1,071,751.30	1,073,557.04	1,073,557.04	1,073,574.33	1,073,591.61	1,073,591.61	1,114,513.11	1,236,555.47	1,438,894.23	
8. Rate of Return / 12 (Including Income Taxes) (B)		0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	
9. Return Requirement on Average Net Investment		9,414.40	9,414.40	9,471.67	9,545.02	9,561.10	9,561.10	9,561.25	9,561.41	9,561.41	9,925.85	11,012.76	12,814.79	119,405.16
10. Total Depreciation & Return (Line 3 + 9)		9,414.40	9,414.40	9,471.67	9,545.02	9,561.10	9,561.10	9,561.25	9,561.41	9,561.41	9,925.85	12,457.05	15,907.98	123,942.64

Notes:
 (A) AEM Property Additions Depreciated at 3% per year
 (B) Revenue Requirement Return is 10.6872%

GULF POWER COMPANY
 In Concert with the Environment and Advanced Energy Management
 Calculation of Revision for January through August, 1999

	January	February	March	April	May	June	July	August	Total
11. In Concert with the Environment Revision	(1,243.03)	(1,098.64)	(1,303.19)	(1,291.48)	(1,328.46)	(1,275.90)	(704.30)	33.99	(8,211.01)
12. Advanced Energy Management Revision	9,414.40	9,414.40	9,471.67	9,545.02	9,561.10	9,561.10	9,561.25	9,561.41	76,090.35
13. Total	8,171.37	8,315.76	8,168.48	8,253.54	8,232.64	8,285.20	8,856.95	9,595.40	67,879.34
14. Interest Rate First Day Reporting Business Month	4.90	4.81	4.85	4.88	4.80	4.85	5.05	5.10	
15. Interest Rate First Day Subsequent Business Month	4.81	4.85	4.88	4.80	4.85	5.05	5.10	5.32	
16. Total	9.71	9.66	9.73	9.68	9.65	9.90	10.15	10.42	
17. Average Interest rate	4.8550	4.8300	4.8650	4.8400	4.8250	4.9500	5.0750	5.2100	
18. Monthly Average Interest Rate	0.004046	0.004025	0.004054	0.004033	0.004021	0.004125	0.004229	0.004342	
19. Interest Provision	33.06	33.47	33.12	33.29	33.10	34.18	37.46	41.66	279.34

Florida Public Service Commission
 Docket No. 990002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. _____ (MDN-2)
 Schedule C-3
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GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN
 Research and Development Energy Education
 For the Period January, 1999 Through December, 1999

Line No.	Description	Beginning of Period	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Total
1.	Investments (Net of Retirements)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2.	Amortization Base		21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	
3.	Amortization Expense (A)		251.65	251.65	251.65	251.65	251.65	251.65	251.65	251.65	251.65	251.65	251.65	251.65	3,019.80
4.	Cumulative Investment	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	21,139.00	
5.	Less: Accumulated Amortization	9,059.40	9,311.05	9,562.70	9,814.35	10,066.00	10,317.65	10,569.30	10,820.95	11,072.60	11,324.25	11,575.90	11,827.55	12,079.20	
6.	Net Investment	12,079.60	11,827.95	11,576.30	11,324.65	11,073.00	10,821.35	10,569.70	10,318.05	10,066.40	9,814.75	9,563.10	9,311.45	9,059.80	
7.	Average Net Investment		11,953.78	11,702.13	11,450.48	11,198.83	10,947.18	10,695.53	10,443.88	10,192.23	9,940.58	9,688.93	9,437.28	9,185.63	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	
9.	Return Requirement on Average Net Investment		106.46	104.22	101.98	99.74	97.50	95.25	93.01	90.77	88.53	86.29	84.05	81.81	1,129.61
10.	Total Amortization & Return (Line 3 + 9)		358.11	355.87	353.63	351.39	349.15	346.90	344.66	342.42	340.18	337.94	335.70	333.46	4,149.41

Notes:
 (A) 1995 Additions Amortized over 7 Year Period; No additions after 1995
 (B) Revenue Requirement Return is 10.6872%

Florida Public Service Commission
 Docket No. 990002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. _____ (MDN-2)
 Schedule C-3
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GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN
 Research and Development Commercial Technology
 For the Period January, 1999 Through December, 1999

Line No.	Description	Beginning of Period	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Total
1.	Investments (Net of Retirements)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2.	Amortization Base		939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	
3.	Amortization Expense (A)		11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18	134.16
4.	Cumulative Investment	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	939.00	
5.	Less: Accumulated Amortization	402.48	413.66	424.84	436.02	447.20	458.38	469.56	480.74	491.92	503.10	514.28	525.46	536.64	
6.	Net Investment	536.52	525.34	514.16	502.98	491.80	480.62	469.44	458.26	447.08	435.90	424.72	413.54	402.36	
7.	Average Net Investment		530.93	519.75	508.57	497.39	486.21	475.03	463.85	452.67	441.49	430.31	419.13	407.95	
8.	Rate of Return / 12 (Including Income Taxes) (B)		0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	0.008906	
9.	Return Requirement on Average Net Investment		4.73	4.63	4.53	4.43	4.33	4.23	4.13	4.03	3.93	3.83	3.73	3.63	50.16
10.	Total Amortization & Return (Line 3 + 9)		15.91	15.81	15.71	15.61	15.51	15.41	15.31	15.21	15.11	15.01	14.91	14.81	184.32

Notes:

(A) 1995 Additions Amortized over 7 Year Period; No additions after 1995

(B) Revenue Requirement Return is 10.6872%

Florida Public Service Commission
 Docket No. 990002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. _____ (MDN-2)
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GULF POWER COMPANY

ESTIMATED TRUE-UP ENERGY CONSERVATION CLAUSE
For the Period: January, 1999 through December, 1999

Conservation Revenues	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	AUDIT ADJUSTMENT	ACTUAL AUGUST	In Concert w/Env and Advanced Energy Mgmt REVISION	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL	
1. a. Residential Conservation Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. (Other Fees)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Conservation Revenues	142,193.18	116,352.74	123,556.32	136,795.97	153,212.73	176,330.08	197,779.92	0.00	205,229.09		168,665.56	134,478.41	126,358.57	152,184.73	1,833,137.30	
3. Total Revenues	142,193.18	116,352.74	123,556.32	136,795.97	153,212.73	176,330.08	197,779.92	0.00	205,229.09	0.00	168,665.56	134,478.41	126,358.57	152,184.73	1,833,137.30	
4. Adjustment not Applicable to Period - Prior True Up	65,560.25	65,560.25	65,560.25	65,560.25	65,560.25	65,560.25	65,560.25		65,560.25		65,560.25	65,560.25	65,560.25	65,560.25	786,723.00	
5. Conservation Revenues Applicable to Period	207,753.43	181,812.99	189,116.57	202,366.22	218,772.88	241,890.34	263,340.17	0.00	270,789.34	0.00	234,225.81	200,038.66	191,818.82	217,744.98	2,619,860.30	
6. Conservation Expenses (Form C-3 Page 3 of 5)	162,512.08	201,073.92	225,020.22	193,327.93	156,745.17	217,032.65	254,789.94	(3,713.22)	298,435.72	67,879.34	334,817.00	334,817.00	334,817.00	334,816.12	3,112,370.87	
7. True Up this Period (Line 5 minus Line 6)	45,241.35	(19,160.93)	(35,903.65)	9,028.29	62,027.81	24,857.69	8,560.23	3,713.22	(27,646.38)	(67,879.34)	(100,591.19)	(134,778.34)	(142,898.18)	(117,071.14)	(492,510.57)	
8. Interest Provision this Period (Page 10, Line 10)	1,458.60	1,246.56	882.23	562.63	442.39	364.44	168.56	274.65	(135.00)	279.34	(992.11)	(1,792.00)	(2,687.21)	(3,547.87)	(3,475.79)	
9. True Up & Interest Provision Beginning of Month	370,677.64	351,817.34	268,341.72	167,760.05	111,790.72	108,700.67	68,362.55	11,521.09	15,508.96	(77,832.67)	(145,432.67)	(312,576.22)	(514,706.81)	(725,852.45)	370,677.64	
10. Prior True Up Collected or Refunded	(65,560.25)	(65,560.25)	(65,560.25)	(65,560.25)	(65,560.25)	(65,560.25)	(65,560.25)		(65,560.25)	0.00	(65,560.25)	(65,560.25)	(65,560.25)	(65,560.25)	(786,723.00)	
End of Period- Net True Up	351,817.34	268,341.72	167,760.05	111,790.72	108,700.67	68,362.55	11,521.09	15,508.96	(77,832.67)	(145,432.67)	(312,576.22)	(514,706.81)	(725,852.45)	(912,031.72)	(912,031.72)	

Florida Public Service Commission
Docket No. 990002-EG
GULF POWER COMPANY
Witness: Margaret D. Neyman
Exhibit No. _____ (MDN-2)
Schedule C-3
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GULF POWER COMPANY
INTEREST CALCULATION
ENERGY CONSERVATION CLAUSE
For the Period: January, 1999 through December, 1999

Interest Provision	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	AUDIT ADJUSTMENT	ACTUAL AUGUST	In Concert w/Env and Advanced Energy Mgmt Rev.	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL
1. Beginning True up Amount	370,677.64	351,817.34	288,341.72	167,760.05	111,790.72	108,700.67	68,362.55	0.00	16,506.96	0.00	(146,432.67)	(312,576.22)	(514,706.81)	(725,852.45)	
2. Ending True up before Interest	350,358.74	287,006.16	166,877.82	111,228.09	106,258.28	67,896.11	11,352.53	0.00	(77,697.67)	0.00	(311,584.11)	(512,914.81)	(723,165.24)	(908,483.85)	
3. Total beginning & ending	721,036.38	618,913.50	435,219.54	278,988.14	220,049.00	176,696.78	79,715.06	0.00	(62,188.71)	0.00	(457,016.78)	(825,491.03)	(1,237,872.06)	(1,634,336.30)	
4. Average True up Amount	360,518.19	309,456.75	217,609.77	139,494.07	110,024.50	88,348.39	39,867.54	0.00	(31,094.35)	0.00	(228,606.39)	(412,745.52)	(616,936.03)	(817,168.15)	
5. Interest Rate First Day Reporting Business Month	4.90	4.81	4.85	4.88	4.80	4.85	5.05		5.10	0.00	5.10	5.10	5.10	5.10	
6. Interest Rate First Day Subsequent Business Month	4.81	4.85	4.86	4.80	4.85	5.05	5.10		5.32	0.00	5.32	5.32	5.32	5.32	
7. Total of Lines 5 and 6	9.71	9.66	9.73	9.68	9.65	9.90	10.15	0.00	10.42	0.00	10.42	10.42	10.42	10.42	
8. Average Interest rate (50% of Line 7)	4.8550	4.8300	4.8650	4.8400	4.8250	4.9500	5.0750	0.0000	5.2100	0.0000	5.2100	5.2100	5.2100	5.2100	
9. Monthly Average Interest Rate Line 8 \ 12	0.004046	0.004025	0.004054	0.004033	0.004021	0.004125	0.004229	0.000000	0.004342	0.000000	0.004342	0.004342	0.004342	0.004342	
10. Interest Provision (line 4 X 9)	1,458.80	1,245.56	882.23	562.63	442.39	364.44	168.56	274.05	(135.00)	279.34	(992.11)	(1,782.00)	(2,687.21)	(3,547.87)	(3,475.79)

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Florida Public Service Commission
Docket No. 990002-EG
GULF POWER COMPANY
Witness: Margaret D. Neyman
Exhibit No. _____ (MDN-2)
Schedule C-3
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GULF POWER COMPANY
CALCULATION OF CONSERVATION REVENUES
For the Period: September, 1999 Through December, 1999

	Month	MWH Sales	Revenue (Ave Cents/KWH)	Clause Revenue Net of Revenue Taxes (\$)
1.	9/99	876,759	0.019	168,665.56
2.	10/99	702,364	0.019	134,478.41
3.	11/99	659,098	0.019	126,358.57
4.	12/99	790,933	0.019	152,184.73

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 January, 2000, through December, 2000, we expect to achieve 1,500 audits and incur expenses totaling \$395,672.

Program Accomplishments: 792 audits have been conducted during the first eight months of 1999 compared to a budget of 1,333 for a deviation of 541 audits under projection.

Program Fiscal Expenditures: Actual expenses were \$190,220 compared to a budget of \$250,268 for a difference of \$60,048 or 23.9% below budget.

Program Progress Summary: Since the approval of this program Gulf has performed 126,299 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: Residential Mail-In Audits

Program Description: The Residential Mail-In Audit Program is a direct mail energy auditing program. This program supplements Gulf's existing Residential Energy Audit program and assists in the evaluation of the specific energy requirements of a residential dwelling. Homeowners complete an audit questionnaire on their own or may request the assistance of a Gulf Power representative. This questionnaire asks customers about their energy consuming equipment or appliances, square footage, and other details regarding their lifestyles. The audit results package will be returned to the customer and will include targeted, timely information about energy conservation opportunities specific to each dwelling.

Program Projections: For the period January, 2000, through December, 2000, we expect to achieve 1,500 audits and incur expenses totaling \$98,466.

Program Accomplishments: 93 audits were conducted using this process during the reporting period compared to a goal of 667 for a deviation of 567 mail-in audits.

Program Fiscal Expenditures: Forecasted expenses were \$64,854 for January through August, 1999, compared to actual expenses of \$35,040 for the same months, resulting in \$29,814 or 45.9% below budget.

Program Progress Summary: This program was approved on August 5, 1997. Since then, there have been 378 mail-in audits conducted.

Program Description and Progress

Program Title: Gulf Express Loan Program

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

Program Projections: This program is no longer accepting new loans. Program projections are longer be made for this program.

Program Accomplishments: There were no new loans during this period. New loans in this program were discontinued as of second quarter, 1997.

Program Fiscal Expenditures: Forecasted expenses for administrative costs were \$6,928 compared to actual expenses of (\$2,181) year-to-date in 1999. Actual expenses are negative due to the payment in March, 1999, to Gulf for a defaulted loan. All future expenses will be for the administration of existing loans.

Program Progress Summary: During the implementation of the permanent loan program, Gulf completed 1,953 Gulf Express Loans.

Program Description and Progress

Program Title: In Concert With The Environment

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

Program Projections: In Concert With The Environment is no longer projected to be presented to students. For the remainder of this period, Gulf will keep the program in place and offer it to the schools on an as requested basis. However, the company will no longer promote the program and will be discontinuing it at the end of 2000, which is end of the contract with the survey/tabulation company. During the projection period, we do not expect to incur any expenses.

Program Accomplishments: In Concert With The Environment was not presented to any students during the months of January through August, 1999.

Program Fiscal Expenditures: Expenses for the 8 months ending August, 1999, are \$8,211. Due to this program's lack of acceptance, these expenses will be reversed during September so that there are no expenses for this program for the January through December, 1999, period. The program will be made available should a school desire to participate, but the program will no longer be promoted as a stand alone program.

Program Progress Summary: Since the beginning of the program, 4,378 students have participated in the program.

Program Description and Progress

Program Title: GoodCents Environmental Home

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

Program Projections: Gulf projects no GoodCents Environmental Homes to be completed. This program has been evaluated and Gulf is no longer promoting this as a stand alone program.

Program Accomplishments: During this recovery period, no GoodCents Environmental Homes were constructed. This program was approved in October, 1996, as part of the conservation programs in Gulf's Demand-Side Management Plan, Docket 941172-EI. However, it has experienced very little acceptance with builders because of added cost of materials, availability problems with materials, and current public attitudes toward environmental issues. Gulf Power will maintain the availability of this program to our builders and customers, however, we no longer actively advertise and promote this program.

Program Fiscal Expenditures: For the period January, 1999, through August, 1999, there were no expenses projected and no expenses incurred for this program. There is a credit of \$42.22 due prior expenses being removed from the program during this projection period.

Program Progress Summary: Ten homes have been certified to meet the GoodCents Environmental Home standards.

Program Description and Progress

Program Title: Duct Leakage Repair

Program Description: This program design results from Gulf Power's 1992 HVAC Duct and Infiltration (Blower Door) Pilot Program. The object of the program is to provide the customer with a means to identify house air duct leakage and recommend repairs that can reduce customer kWh energy usage and kW demand.

Program Projections: This program has been evaluated and Gulf will no longer budget and promote this program. The program will remain available for customers desiring the service, but it will not be promoted as a stand-alone program for the 2000 projection period.

Program Accomplishments: Gulf has provided demonstrations and training to builders, dealers and homeowners regarding duct leakage and duct testing methods and procedures during this period. No customers participated in the Duct Leakage Repair program during this period.

Program Fiscal Expenditures: Projected expenses were \$333 compared to actual expenses of \$222 for the first eight months of 1999 resulting in a deviation of \$111 below goal.

Program Progress Summary: Program activities have related to education, training, and program development. Since the program's beginning, 13 customers have participated in the program.

Program Description and Progress

Program Title: Geothermal Heat Pump

Program Description: The objective of this program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of geothermal systems.

Program Projections: Gulf estimates the installation of 500 units during this projection period and expenses of \$338,150. Gulf's program implementation will include promotion, education, training, and guaranteed heating and cooling costs for new and existing home customers.

Program Accomplishments: During this recovery period, 52 Geothermal Heat Pump units were installed.

Program Fiscal Expenditures: For the first eight months of the recovery period, expenses were projected to be \$222,747 compared to actual expenses of \$110,058 for a deviation of \$112,689 or 50.5% below budget.

Program Progress Summary: To date, 818 units have been completed.

Program Description and Progress

Program Title: Advanced Energy Management (Marketed under the name GoodCents Select.)

Program Description: The program is designed to provide the customer with a means of conveniently and automatically controlling and monitoring his/her energy purchases in response to prices that vary during the day and by season in relation to the Company's cost of producing or purchasing energy.

Program Projections: During this projection period, Gulf expects to have 5,400 installations for a total of 6,000 customers participating in the program. The program expenses are projected to be \$423,629 in depreciation and amortization; \$420,805, payroll; \$296,082, materials; and \$25,000, advertising. These expenses will be offset by projected program revenues of \$189,128 and \$246,132 for credits Gulf will be receiving from the equipment vendor.

Program Accomplishments: Gulf has experienced delays in receiving working prototypes and production equipment from the vendor. To date, no production units have been installed.

Program Fiscal Expenditures: This program has projected expenses of \$453,001 for the period January through August, 1999 with actual expenses of \$736,012. This results in a deviation of \$283,011 or 62.5% over budget. The program is over budget due to fact that there are expenses associated with the program that have not been offset by revenues from the program. Gulf expects to begin receiving production units in October, 1999.

Program Progress Summary: Equipment and installation is expected to commence late in the fourth quarter of 1999.

Program Description and Progress

Program Title: GoodCents 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 January, 2000, through December, 2000, we expect to achieve 215 GoodCents Buildings and incur expenses totaling \$312,161.

Program Accomplishments: Our goal during the current period was 143 installations compared to actual installations of 162 for a difference of 19 above goal.

Program Fiscal Expenditures: Forecasted expenses were \$129,885 compared to actual expenses of \$184,162 for a deviation of \$54,277 over budget. This program is over budget on expenses due to customers requesting additional information regarding the GoodCents Building Program.

Program Progress Summary: A total of 7,666 commercial buildings have qualified for the GoodCents 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 and industrial 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, January, 2000 through December, 2000, we expect to achieve 150 audits and incur expenses totaling \$596,254.

Program Accomplishments: During this period the goal was 104 while actual results were 72 for a difference of 32 below goal.

Program Fiscal Expenditures: Forecasted expenses were \$412,985 compared to actual expenses of \$373,127 for a deviation of \$39,858 under budget year-to-date. This program is over budget due to fewer audits requested.

Program Progress Summary: A total of 10,980 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 and industrial customers.

Program Description and Progress

Program Title: Commercial/Industrial Mail-In Audit Program

Program Description: The Commercial Mail-In Audit Program is a direct mail energy auditing program. This program will supplement Gulf's existing Commercial/Industrial Energy Audit program and will assist in the evaluation of the specific energy requirements of a given business type. Businesses complete an audit questionnaire on their own or may request the assistance of a Gulf Power representative. This questionnaire asks customers about their energy consuming equipment or appliances, square footage, hours of operation and other details regarding their business operations. The audit results package will be returned to the customer and will include targeted, timely information about energy conservation opportunities specific to each business type and geographic area.

Program Projections: Gulf expects to have 950 customers participate in the Commercial Mail-in Audit during the period and incur expenses of \$71,071.

Program Accomplishments: In this period, 739 mail-in audits have been completed compared to a projection of 633. This program has had a high degree of acceptance and continues to be a successful supplement to Gulf's Energy Audit/Technical Assistance Audit.

Program Fiscal Expenditures: This program incurred actual expenses year-to-date of \$26,401 compared to a budget of \$60,250 for a deviation of \$33,849 or 56.1% under goal.

Program Progress Summary: This program was approved by the FPSC on January 7, 1997, Docket No. 960897-EI. To date, 1528 mail-in audits have been completed.

Program Description and Progress

Program Title: Solar for Schools Pilot

Program Description: This program uses "green pricing" to fund solar technologies in public schools. It also incorporates a school-based energy education component as well as enhanced security lighting for schools.

Program Projections: During the projection period, Gulf will be evaluating various implementation options and implement a "green pricing" promotion plan.

Program Accomplishments: During the period, Gulf continued evaluating various implementation options and developed and implemented the "green pricing" billing mechanism. The initial "green pricing" solicitation began during September, 1996. One middle school is participating in the program and solar lighting is currently being installed at additional schools. The optional "green pricing" billing mechanism has resulted in 317 customers participating with \$22,740.54 being received program-to-date.

Program Fiscal Expenditures: Projected expenses for the period were \$4,392 compared to actual expenses year-to-date of \$3,968 for a deviation of \$424 under goal.

Program Progress Summary: Gulf Power worked with the Florida Energy Extension Service on a prototype Solar for Schools installation at the Ferry Pass Middle School in Pensacola, FL. The installation is completed. Experience gained at this site will be used to design future Solar for Schools installations.

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. 23561 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:

Florida Coordinating Group Research and Development - Gulf Power Company is actively participating in a research initiative commissioned by the Florida Coordinating Group Conservation Steering Committee, formed to evaluate and research demand side management measures. While this is an on-going research project, there were no expenses or activities for this project during this period.

The Efficiency Store - Energy Education - Is intended to provide customers with improved interest, awareness, and understanding of energy efficient technologies. The objective is to display and demonstrate those technologies that are designed to promote energy efficiency.

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

Slinky Mat Loop Heat Pump - This type of ground loop design, "slinky loop" or sometimes referred to as a "slinky mat loop", has not been installed in Florida to our knowledge. The system consists of a 2.3 ton Water Furnace geothermal heat pump (AT028) a 2000 square foot home tied to 1800 feet of 3/4 inch polyethylene pipe 5 to 6 feet below grade. The mat loop is designed as 3 - 100 foot trenches with 600 feet of pipe per trench.

One objective of this project was to determine if this ground loop performs as well as the most common "vertical loop" in extracting and rejecting heat from the earth. Another objective of this project was to determine the cost reduction potential of this type of loop. The projected savings on a "slinky loop" installation versus a vertical loop installation for the same unit type is expected to be \$1,000. If the unit performs, the cost reduction should encourage increased geothermal installations.

This project also provided performance results associated with kwh, kW demand, ground source efficiency, supply/return water temperatures and

hot water recovery kwh/kW reduction, with indoor/outdoor temperature monitoring(wet bulb, dry bulb, relative humidity). This project has been completed. The reports are being prepared at this time.

Closed Loop - Dentist Office - Schwartz Dentist Office

This commercial project was to introduce and demonstrate geothermal technology benefits. This was a new construction general office building application to be monitored in conjunction with the Geothermal Heat Pump Consortium. It consisted of 10 tons of geothermal equipment connected to an underground closed loop piping system. The site also included a hot water recovery unit to provide hot water needs. This project has been completed. The reports are being prepared at this time.

Closed Loop - Hotel - Sleep Inn, hospitality/hotel

This application was for monitoring heating, cooling, and water heating costs. This included 10 tons for heating and cooling in the office/lobby area and room/laundry hot water need provided by a geothermal heat pump water heater with an efficiency rating of 10. This project has been completed. The reports are being prepared at this time.

Van Norman Project - This project was a triple function Nordyne heat pump providing heating, cooling, and water heating on demand. The heat pump compressor has a water heating mode. The total house, water heater, air handler and compressor were being monitored. Also, monitoring included air temperatures, water temperatures, and gallons of hot water. This project has been completed. The reports are being prepared at this time.

The Dunes - This project monitored two heat pump water heaters in a hotel. Preliminary results were available during the 3rd quarter, 1997. In this project, the Heat Pump Water Heaters were expected to offset the KW demand of existing water heaters and to provide air conditioning to the laundry area. This project has been completed. The reports are being prepared at this time.

Jim Day Project - This project was a geothermal system which provided heating and cooling in a residential environment. This project also included a geothermal heat pump water heater. The indoor air temperature, relative humidity, as well as ground loop temperatures were monitored along with the kilowatt hour usage for the geothermal system. Additionally, the geothermal heat pump water heater's water temperature was monitored as well as the kilowatt hour usage, water consumption, and ground loop temperatures. This project has been completed. The reports are being prepared at this time.

Joe Ridge Project - This project was a residential study which included a geothermal heat pump with a built in heat recovery unit, a geothermal pool heater and a conventional air to air heat pump. This project was designed to study the efficiency of a geothermal pool heater and the built in heat recovery unit. The indoor air temperature, relative humidity, kilowatt hour consumption, water consumption and ground loop temperatures are monitored. Additionally, the pool temperatures and

water heating temperatures are included in the study. This project has been completed. The reports are being prepared at this time.

Bay County Schools - Lucille Moore Elementary - Was a comparative study designed to illustrate the efficiency and demand reduction versus the conventional 10 S.E.E.R. air source systems. One six ton geothermal unit and one six ton air to air heat pump were installed in identical instructional areas in an elementary school. This study monitored the demand and kilowatt hour consumption. Also the environmental issues such as temperature and humidity were monitored as well. This study will also determine the reliability and maintenance reductions associated with the geothermal systems. This project has been completed. The report is being prepared at this time.

Low Income Multi-Family Housing Project - This was the first low income CDD project associated with Gulf Power Company. This project was designed to illustrate the efficiency of the geothermal systems compared to the existing heating and cooling systems. The project was designed to demonstrate the reduction in maintenance cost to the facility and improve the quality of life for the tenants. This comparative study included: three apartments retrofitted with geothermal equipment versus three identical structures with the existing heating and cooling equipment. KWh and water heating consumption was monitored for the comparison. Further, the indoor temperatures and ground loop temperatures were monitored also.

Burger King - Was a comparative study between gas fryers and electric fryers and the effects on the cooking environment and energy consumption. Monitored equipment in the two Burger King's include: air conditioning, indoor temperatures, relative humidity, kWh, kW demand and of course the fryers. This study was designed to determine which fryer reduced heat within the cooking environment and reduced consumption on the total facility. This project has been completed. The reports are being prepared at this time.

Dr. Taylor - This commercial project was also a comparative study designed to illustrate the reduction of kW demand between geothermal heat pumps and air to air heat pumps. Dr. Taylor's office is located next to Dr. Schwartz's office (previously mentioned this report). The two offices were constructed to the exact same specification. The general office building includes 10 tons of high efficient air to air heat pumps and hot water heating to be examined. This project has been completed. The reports are being prepared at this time.

Hampton Inn - The Hampton Inn is being used to study geo-thermal heat pump water heaters for their laundry and Pool heating requirements. The Laundry room is cooled and the water heated with Geo-thermal Heat pump water heaters. The hotel pool is heated with a Geo-thermal Heat pump water heater.

Boardwalk - The Boardwalk Laundry Room is a research site designed to study the effectiveness of the triple function Nordyne heat pump. This heat pump is designed to cool and heat the laundry room and also heat the water used to do laundry

Solar Light - Gulf Power Company is presently testing a solar Photovoltaic light at our Pine Forest facility. The solar light will be monitored for energy consumption and peak demand savings as well as the actual lumen for the security light. A successful test would result in using this light in our Solar for Schools program. This particular light did not use funding from the Solar for Schools Program, however we did use funds from the Conservation Demonstration and Development program.

Program Fiscal Expenditures: Program expenses were forecasted at \$101,357 compared to actual expenses of \$40,027 for a deviation of \$61,337 under budget. Expenses are under budget due to over-estimating project costs and having projects that required start-up costs but have no expenses on a regular monthly basis. Also, during this projection period, several projects have been completed. The reports for those projects are being prepared. Project expenses were as follows: Efficiency Store - Energy Education, \$29,904.60; Efficiency Store - Commercial Technology, \$9,105.24; Van Norman, \$81.90; The Dunes, \$87.12; Hampton, \$788.95; and Boardwalk, \$58.72.