

**SCANNED**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**ENERGY CONSERVATION COST  
RECOVERY CLAUSE**

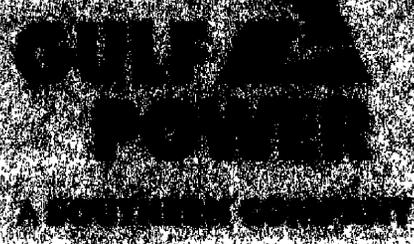
**BEFORE THE COMMISSION**

**PREPARED UNDER TESTIMONY AND  
EXHIBITS OF  
ANGELA T. CARTER**

**Production  
JANUARY - DECEMBER 2004**

**Exhibit A and C  
JANUARY - DECEMBER 2003**

**September 26, 2003**



DOCUMENT NUMBER-DATE

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FILE COMMISSIONER'S FILE

1 Gulf Power Company

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony and Exhibit of

4 Angela T. Carter

5 Docket No. 030002-EG

6 September 26, 2003

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

9 A. My name is Angela T. Carter and my business address is  
10 One Energy Place, Pensacola, Florida 32520. I am  
11 employed by Gulf Power Company as the Economic  
12 Evaluation and Market Reporting Team Leader.

13 Q. Are you familiar with the schedules for the Energy  
14 Conservation Cost Recovery Clause?

15 A. Yes, I am.

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

19 A. Yes, I have.

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

24  
25 Q. Ms. Carter, for what purpose are you appearing before

1 this Commission today?

2 A. I am testifying before this Commission on behalf of  
3 Gulf Power Company regarding matters related to the  
4 Energy Conservation Cost Recovery Clause and to answer  
5 any questions concerning the accounting treatment of  
6 recoverable conservation costs in this filing.  
7 Specifically, I will address projections for approved  
8 programs during the January, 2004, through December,  
9 2004, recovery period and the anticipated results of  
10 those programs during the current recovery period,  
11 January, 2003, through December, 2003, (8 months  
12 actual, 4 months estimated).

13

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

17 A. Projected expenses for the first eight months of the  
18 period were \$3,997,237 compared to actual expenses of  
19 \$3,951,325 for a difference of \$45,912 or 1.1% under  
20 budget. A detailed summary of all program expenses is  
21 contained in my Schedule C-3, pages 1 and 2 and my  
22 Schedule C-5, pages 1 through 15.

23

24 Q. Have you provided a description of the program results  
25 achieved during the period, January, 2003, through

1 August, 2003?

2 A. Yes. A detailed summary of year-to-date results for  
3 each program is contained in my Schedule C-5, pages 1  
4 through 15.

5

6 Q. Would you summarize the conservation program cost  
7 projections for the January, 2004 through December,  
8 2004 recovery period?

9 A. Program costs for the recovery period are projected to  
10 be \$7,762,984. These costs are broken down as follows:  
11 depreciation, return on investment and property taxes,  
12 \$1,973,439; payroll/benefits, \$2,293,112;  
13 materials/expenses, \$3,044,211; and advertising,  
14 \$1,038,638; all of which are partially offset by  
15 program revenues of \$586,416. More detail is contained  
16 in my Schedule C-2.

17

18 Q. Would you describe the expected results for your on-  
19 going programs during the January, 2004, through  
20 December, 2004, recovery period?

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

22 (1) Residential Energy Audits - During the period,  
23 1,500 audits are projected to be completed. These  
24 audits encourage customers to make conservation  
25 improvements. In an attempt to target low-income

1 customers, Gulf Power contacted three area  
2 Weatherization Assistance Providers (WAPs) during  
3 2003 to solicit assistance with making home  
4 improvements for qualifying customers. Each of  
5 the WAPs chose not to participate based on either  
6 lack of weatherization funds, insurance concerns  
7 or reimbursement issues. The Company will  
8 continue to contact WAPs periodically in an effort  
9 to increase low-income households' participation  
10 in the energy audit program.

11 (2) Residential Mail-In Audit - This is a direct mail  
12 energy auditing program. This program builds on  
13 the success of Gulf Power's existing Residential  
14 Energy Audit program and will assist in the  
15 evaluation of the specific energy requirements of  
16 a residential dwelling. Gulf expects 600  
17 participants during the projection period.

18 (3) Duct Leakage Repair - The object of the program is  
19 to provide the customer with a means to identify  
20 house air duct leakage with a list of recommended  
21 repairs that can reduce customer kWh energy usage  
22 and kW demand. Gulf Power will continue to make  
23 this program available for customers during the  
24 projection period.

25 (4) Geothermal Heat Pump - The object of this program

1 is to reduce the demand and energy requirements of  
2 new and existing residential customers through the  
3 promotion and installation of geothermal systems.  
4 During the upcoming projection period, 200  
5 customers are expected to participate in the  
6 program.

- 7 (5) GoodCents Select - This program is designed to  
8 provide the customer with a means of conveniently and  
9 automatically controlling and monitoring energy  
10 purchases in response to prices that vary during the  
11 day and by season in relation to Gulf Power Company's  
12 cost of producing or purchasing energy. The **GoodCents**  
13 *Select* system includes field units utilizing a  
14 communication gateway, a radio frequency based Local  
15 Area Network, major appliance load control relays,  
16 and a programmable thermostat (Superstat), all  
17 operating at the customer's home.

18 As reported in this docket previously, the  
19 startup of the program was delayed because of  
20 several issues. As a result of the delays and  
21 current participation levels, the schedule for  
22 market implementation has been modified from the  
23 original projection in the Demand-side Management  
24 Plan. Gulf Power reviewed and revised its  
25 projection for program participation in 2000. A

1 more detailed summary of the revised participation  
2 rates is given in M. J. McCarthy's testimony in  
3 Docket No. 000002-EG dated September 27, 2000.

4 The Company projects 3,000 installations annually  
5 beginning in 2004 for the remainder of the plan.

6 (6) GoodCents Building - This program includes both  
7 new and existing commercial customers. For the  
8 projection period, 155 buildings are expected to  
9 meet the program standards. Implementation  
10 strategies will concentrate on architects,  
11 engineers, developers and other decision makers in  
12 the construction process.

13 (7) Energy Audits and Technical Assistance Audits -  
14 Gulf projects 125 audits for 2004. Emphasis will  
15 be placed on audits for large, complex commercial  
16 customers such as hospitals, hotels and office  
17 buildings. These audits will focus on the  
18 benefits of alternative technologies such as heat  
19 pump water heaters and geothermal technologies.

20 (8) Commercial/Industrial Mail-In Audit - This is a  
21 direct mail energy auditing program. This program  
22 builds on the success of Gulf Power Company's  
23 existing Commercial/Industrial Energy Audit  
24 program and will assist in the evaluation of the  
25 specific energy requirements of a given business

1 type. The Company expects 600 participants during  
2 the projection period.

3 (9) Green Pricing - Costs associated with the Green  
4 Pricing program are provided in Schedule C-2.

5 Further description of these activities can be  
6 found in Schedule C-5.

7 (10) Conservation Demonstration and Development -

8 Costs associated with the Conservation

9 Demonstration and Development program are provided  
10 in Schedule C-2. Further description of these  
11 activities can be found in Schedule C-5.

12

13 Q. Ms. Carter, have there been any developments in any  
14 existing program that will have a significant affect on  
15 the amount being requested for recovery in 2003 or 2004?

16 A. Yes. In the **GoodCents** *Select* program, participation in  
17 2003 has been less than expected because installations  
18 were suspended from October, 2002 through March 2003.

19 The suspension was a result of the installation  
20 contractor's inability to meet installation demands.

21 Gulf has selected a new installation contractor.

22 Additional expenses are necessary in 2004 to better  
23 align equipment deliveries with actual market demand,

24 increase research and development and provide

25 additional project maintenance and support.

1 Depreciation, return on investment and property tax  
2 expenses have been modified to reflect the increase in  
3 installation costs. Advertising expenses have also  
4 been adjusted in an effort to increase overall customer  
5 participation.

6 Expenses for the Green Pricing program were  
7 reduced in 2003. More time is needed to research  
8 renewable energy sources before additional expenses are  
9 necessary to further promote a green energy pilot  
10 program.

11  
12 Q. How does the proposed Energy Conservation Cost Recovery  
13 factor for Rate Schedule RS compare with the factor  
14 applicable to December, 2003, and how would the change  
15 affect the cost of 1,000 kWh on Gulf Power Company's  
16 residential rate RS?

17 A. The current Energy Conservation Cost Recovery factor  
18 for Rate Schedule RS applicable through December, 2003,  
19 is 0.061¢/kWh compared with the proposed factor of  
20 0.076¢/kWh. For a residential customer who uses 1,000  
21 kWh in January, 2004, the conservation portion of the  
22 bill would increase from \$0.61 to \$0.76.

23  
24 Q. When does Gulf Power Company propose to collect these  
25 Energy Conservation Cost Recovery charges?

1 A. The factors will be effective beginning with the first  
2 bill group for January, 2004, and continuing through  
3 the last bill group for December, 2004.

4  
5 Q. Ms. Carter, does this conclude your testimony?

6 A. Yes, it does.

7

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AFFIDAVIT

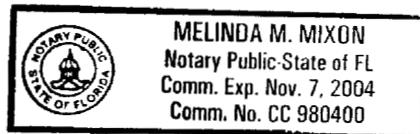
STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 030002-EG

Before me the undersigned authority, personally appeared Angela T. Carter, who being first duly sworn, deposes and says that she is the Economic Evaluation and Market Reporting Team Leader 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.

Angela T. Carter  
Angela T. Carter  
Economic Evaluation and Market  
Reporting Team Leader

Sworn to and subscribed before me this 25<sup>th</sup> day of September, 2003.



Melinda M. Mixon  
Notary Public, State of Florida at Large

GULF POWER COMPANY  
ENERGY CONSERVATION COST RECOVERY  
INDEX OF SCHEDULES

Schedule Number	Title	Pages
C-1	Summary of Cost Recovery Clause Calculation	1-3
C-2	Projected Program Costs for January, 2004 - December, 2004	4-6
C-3	Conservation Program Costs for January, 2003 - August, 2003 Actual September, 2003 - December, 2003 Estimated	7-11
C-4	Calculation of Conservation Revenues	12
C-5	Program Descriptions and Progress Reports	13-27

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

For the Period: January, 2004 Through December, 2004

	\$
1. Net Program Costs: Projected for 2004 (Schedule C-2 Page 1 of 3, Line 16)	7,762,984
2. True Up: Estimated 2003 (Jan-Aug Actual; Sep-Dec Est.) (Schedule C-3, Page 3 of 5)	(204,938)
3. Total (Line 1 + Line 2)	7,558,046
4. Cost Subject to Revenue Taxes	7,558,046
5. Revenue Tax	1.00072
6. Total Recoverable Cost	7,563,488

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 3, and is consistent with the methodology set forth in Order No. PSC-93-1845-FOF-EG.

7. Total Cost	7,563,488
8. Energy Related Costs	5,059,210
9. Demand Related Costs (total)	2,504,278
10. Demand Costs Allocated on 12 CP	2,311,641
11. Demand Costs Allocated on 1/13 th	192,637

	Demand \$		Total	Total Recoverable Costs Including Revenue Taxes		
	Energy \$	Half of GCS		Energy	Demand	
	\$	\$	\$	\$	\$	
12. Est/Actual 2003	4,579,312	2,152,084	6,731,396	(139,519)	(65,566)	(205,085)
13. Percentage	68.03%	31.97%	100.00%			
14. Projected 2004	5,194,936	2,568,048	7,762,984	5,198,729	2,569,844	7,768,573
15. Percentage	66.92%	33.08%	100.00%			
16. Total				5,059,210	2,504,278	7,563,488

GULF POWER COMPANY  
 CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS  
 January, 2004 Through December, 2004

Rate Class	A	B	C	D	E	F	G	H	I
	Average 12 CP Load Factor at Meter	Jan 2004 - Dec 2004 Projected KWH Sales at Meter	Jan 2004 - Dec 2004 Projected Avg 12 CP KW at Meter	Demand Loss Expansion Factor	Energy Loss Expansion Factor	Jan 2004 - Dec 2004 Projected KWH Sales at Generation	Jan 2004 - Dec 2004 Projected Avg 12 CP KW at Generation	Percentage of KWH Sales at Generation	Percentage of 12 CP KW Demand at Generation
RS, RSVP	59.521838%	4,903,598,000	940,447.20	1.00486476	1.00530097	4,929,591,826	945,022.25	46.64256%	54.67725%
GS	61.623894%	294,062,000	54,473.55	1.00485887	1.00529775	295,619,867	54,738.23	2.79708%	3.16705%
GSD, GSDT, GSTOU	74.923957%	2,366,440,000	360,554.31	1.00470565	1.00516604	2,378,665,124	362,250.95	22.50634%	20.95917%
LP, LPT	86.403429%	2,055,355,000	271,551.22	0.98422595	0.98911989	2,032,992,512	267,267.76	19.23567%	15.46362%
PX, PXT, RTP, CSA, SBS	99.499138%	817,083,000	93,743.84	0.97443817	0.98057253	801,209,145	91,347.58	7.58084%	5.28520%
OS - I / II	247.068649%	101,916,000	4,708.91	1.00468934	1.00529485	102,455,630	4,730.99	0.96941%	0.27373%
OS-III	98.528325%	24,279,000	2,812.97	1.00511513	1.00526827	24,406,908	2,827.36	0.23093%	0.16359%
OS-IV	248.927520%	3,907,000	179.17	1.00240521	1.00541301	3,928,149	179.60	0.03717%	0.01039%
<b>TOTAL</b>		<u>10,566,640,000</u>	<u>1,728,471.17</u>			<u>10,568,869,161</u>	<u>1,728,364.72</u>	<u>100.00000%</u>	<u>100.00000%</u>

Notes:  
 Col A : Average 12 CP load factor based on actual 2001 load research data.  
 Col C = Col B / (8760 hours x Col A), 8,760 is the number of hours in 12 months.  
 Col F = Col B x Col E  
 Col G = Col C x Col D  
 Col H = Col F / Total Col F  
 Col I = Col G / Total Col G

Florida Public Service Commission  
 Docket No. 030002-EG  
 GULF POWER COMPANY  
 Witness: Angela T. Carter  
 Exhibit No. \_\_\_\_\_ (ATC-2)  
 Schedule C-1  
 Page 2 of 3

GULF POWER COMPANY  
 CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS  
 January, 2004 Through December, 2004

<u>Rate Class</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>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</u>
RS, RSVP	46.64256%	54.67725%	\$1,263,941	\$89,851	\$2,359,745	\$3,713,537	4,903,598,000	0.076
GS	2.79708%	3.16705%	73,211	5,387	141,510	220,108	294,062,000	0.075
GSD, GSDT, GSTOU	22.50634%	20.95917%	484,501	43,356	1,138,643	1,666,500	2,366,440,000	0.070
LP, LPT	19.23567%	15.46362%	357,463	37,055	973,173	1,367,691	2,055,355,000	0.067
PX, PXT, RTP, CSA, SBS	7.58084%	5.28520%	122,175	14,604	383,531	520,310	817,083,000	0.064
OS - I / II	0.96941%	0.27373%	6,328	1,867	49,044	57,239	101,916,000	0.056
OS-III	0.23093%	0.16359%	3,782	445	11,683	15,910	24,279,000	0.066
OS-IV	0.03717%	0.01039%	240	72	1,881	2,193	3,907,000	0.056
<b>TOTAL</b>	<b>100.00000%</b>	<b>100.00000%</b>	<b>\$2,311,641</b>	<b>\$192,637</b>	<b>\$5,059,210</b>	<b>\$7,563,488</b>	<b>10,566,640,000</b>	

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 2004 through December 2004  
 H Col F / G

Florida Public Service Commission  
 Docket No. 030002-EG  
 GULF POWER COMPANY  
 Witness: Angela T. Carter  
 Exhibit No. \_\_\_\_\_ (ATC-2)  
 Schedule C-1  
 Page 3 of 3

GULF POWER COMPANY

PROJECTED CONSERVATION PROGRAM NET COSTS  
For the Period January, 2004 Through December, 2004

Programs	Depreciation, Return & Property Taxes	Payroll & Benefits	Materials Vehicles & Expenses	Other	Advertising	Incentives	Total Costs	Program Revenues	Net Costs
1. Residential Energy Audits	0	344,752	80,349	0	127,270	0	552,371	0	552,371
2 Residential Mail In Audit	0	22,518	1,747	0	76,181	0	100,446	0	100,446
3 Gulf Express	0	0	0	0	0	0	0	0	0
4. In Concert with the Environment	0	0	0	0	0	0	0	0	0
5 Environmental Good Cents Home	0	0	0	0	0	0	0	0	0
6 Duct Leakage Repair	0	0	0	0	0	0	0	0	0
7. Geothermal Heat Pump	0	118,779	106,369	0	114,455	0	339,603	0	339,603
8 Good Cents Select	1,973,439	748,763	2,450,310	0	550,000	0	5,722,512	586,416	5,136,096
9 Comm/Ind Good Cents Bldg	0	447,751	67,098	0	16,660	0	531,509	0	531,509
10 E.A & T A A	0	504,520	99,616	0	4,072	0	608,208	0	608,208
11. Comm/Ind Mail In Audit	0	37,319	10,843	0	0	0	48,162	0	48,162
12. Green Pricing									
a. Solar for Schools	0	3,295	656	0	0	0	3,951	0	3,951
b. EarthCents Solar	0	9,437	7,830	0	0	0	17,267	0	17,267
c. Green Pricing	0	40,007	55,339	0	150,000	0	245,346	0	245,346
13 Cons Demonstration & Development	0	15,971	164,054	0	0	0	180,025	0	180,025
14 Total All Programs	1,973,439	2,293,112	3,044,211	0	1,038,638	0	8,349,400	586,416	7,762,984
15 Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
16. Net Program Costs	1,973,439	2,293,112	3,044,211	0	1,038,638	0	8,349,400	586,416	7,762,984

GULF POWER COMPANY

PROJECTED CONSERVATION PROGRAM NET COSTS  
For the Period January, 2004 Through December, 2004

Programs

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 MONTH TOTAL	DEMAND COSTS	ENERGY COSTS
1 Residential Energy Audits	40,530	40,645	42,179	55,969	43,814	43,508	43,951	45,974	58,008	46,048	46,005	45,740	552,371	0	552,371
2 Residential Mail In Audit	8,066	8,063	8,135	9,015	8,156	8,165	8,875	8,366	8,786	8,484	8,206	8,129	100,446	0	100,446
3 Gulf Express	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 In Concert with the Environment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Environmental Good Cents Home	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Duct Leakage Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Geothermal Heat Pump	22,295	23,104	24,412	29,949	26,484	27,215	28,157	29,140	34,373	31,355	31,252	31,867	339,603	0	339,603
8. Good Cents Select	427,519	422,839	425,159	452,571	432,750	421,375	420,107	421,192	448,186	421,498	429,576	413,324	5,136,096	2,568,048	2,568,048
9. Comm/Ind Good Cents Bdg	38,877	38,702	40,433	58,055	41,712	41,296	41,581	42,024	59,670	42,743	43,468	42,948	531,509	0	531,509
10 E.A & T A A.	45,030	44,756	46,605	66,387	47,908	47,308	47,571	48,003	67,791	48,633	49,471	48,745	608,208	0	608,208
11 Comm/Ind Mail In Audit	3,160	3,246	3,457	5,001	3,659	3,756	3,856	3,957	5,501	4,157	4,159	4,253	48,162	0	48,162
12. Green Pricing															
a. Solar for Schools	301	301	310	437	310	310	310	310	437	310	310	305	3,951	0	3,951
b. EarthCents Solar	1,314	1,311	1,348	1,723	1,368	1,378	1,388	1,398	1,773	1,418	1,418	1,430	17,267	0	17,267
c. Green Pricing	17,465	17,938	18,553	20,599	19,553	20,053	20,553	21,053	22,812	22,339	22,053	22,375	245,346	0	245,346
13 Cons Demonstration & Development	7,013	7,544	8,202	9,404	9,535	13,558	14,148	18,361	19,211	20,645	21,514	30,890	180,025	0	180,025
14. Total All Programs	611,570	608,449	618,793	709,110	635,249	627,922	630,497	639,778	726,548	647,630	657,432	650,006	7,762,984	2,568,048	5,194,936
15. Less Base Rate Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Recoverable Conservation Expenses	611,570	608,449	618,793	709,110	635,249	627,922	630,497	639,778	726,548	647,630	657,432	650,006	7,762,984	2,568,048	5,194,936

GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES  
 Good Cents Select  
 For the Period January, 2004 Through December, 2004

Line No.	Description	Beginning of Period	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Total
1	Additions to Plant In Service (Net of Retirements)		238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	
2	Depreciation Base	4,975,399	5,213,399	5,451,399	5,689,399	5,927,399	6,165,399	6,403,399	6,641,399	6,879,399	7,117,399	7,355,399	7,593,399	7,831,399	
3	Depreciation Expense (A)		9,679	10,132	10,584	11,036	11,488	11,940	12,393	12,845	13,297	13,749	14,201	14,654	145,998
4	Cumulative Plant in Service Additions	4,975,399	5,213,399	5,451,399	5,689,399	5,927,399	6,165,399	6,403,399	6,641,399	6,879,399	7,117,399	7,355,399	7,593,399	7,831,399	
5	Less Accumulated Depreciation	235,909	245,588	255,720	266,304	277,340	288,828	300,768	313,161	326,006	339,303	353,052	367,253	381,907	
6	Net Plant in Service	4,739,489	4,967,810	5,195,678	5,423,094	5,650,058	5,876,570	6,102,630	6,328,237	6,553,392	6,778,095	7,002,346	7,226,145	7,449,491	
7	Net Additions/Reductions to CWIP		0	0	0	0	0	0	0	0	0	0	0	0	
8	CWIP Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Inventory	8,981,484	8,826,984	8,672,484	8,517,984	8,363,484	8,208,984	8,054,484	7,899,984	7,745,484	7,590,984	7,436,484	7,281,984	7,127,484	
10	Net Investment (Line 6 + 8 + 9)	13,720,973	13,794,794	13,868,162	13,941,078	14,013,542	14,085,554	14,157,114	14,228,221	14,298,876	14,369,079	14,438,830	14,508,129	14,576,975	
11	Average Net Investment		13,757,884	13,831,478	13,904,620	13,977,310	14,049,548	14,121,334	14,192,668	14,263,549	14,333,978	14,403,955	14,473,480	14,542,552	
12	Rate of Return / 12 (Including Income Taxes) (B)		0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	
13	Return Requirement on Average Net Investment		129,792	130,486	131,176	131,862	132,543	133,221	133,894	134,562	135,227	135,887	136,543	137,194	1,602,387
14	Property Taxes		18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,760	225,054
15	Total Depreciation, Return and Property Taxes (Line 3+13+14)		158,225	159,372	160,514	161,652	162,785	163,915	165,041	166,161	167,278	168,390	169,498	170,608	1,973,439

Notes

- (A) Good Cents Select Property Additions Depreciated at 2.3% per year
- (B) Revenue Requirement Return is 11.321%

GULF POWER COMPANY  
CONSERVATION PROGRAM NET COST  
January, 2003 Through August, 2003, Actual  
September, 2003 Through December, 2003, Estimated

	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Materials Vehicles & Expenses	Advertising	Total Costs	Program Revenues (Credits)	Net Costs
1 Residential Energy Audits							
a Actual	0 00	191,410 94	25,487 56	80,491 62	297,390 12	0 00	297,390 12
b Estimated	0 00	150,905 06	42,558 44	120,308 38	313,771 88	0 00	313,771 88
c Total	0 00	342,316 00	68,046 00	200,800 00	611,162 00	0 00	611 162 00
2 Residential Mail In Audit							
a Actual	0 00	17,581 63	188 77	39,628 90	57,399 30	0 00	57 399 30
b Estimated	0 00	12,897 37	5 667 23	60,671 10	79,235 70	0 00	79 235 70
c Total	0 00	30,479 00	5,856 00	100,300 00	136,635 00	0 00	136,635 00
3 Gulf Express							
a Actual	0 00	0 00	0 00	0 00	0 00	0 00	0 00
b Estimated	0 00	0 00	0 00	0 00	0 00	0 00	0 00
c Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
4 In Concert with the Environment							
a Actual	0 00	0 00	0 00	0 00	0 00	0 00	0 00
b Estimated	0 00	0 00	0 00	0 00	0 00	0 00	0 00
c Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
5 Environmental Good Cents Home							
a Actual	0 00	0 00	0 00	0 00	0 00	0 00	0 00
b Estimated	0 00	0 00	0 00	0 00	0 00	0 00	0 00
c Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
6 Duct Leakage Repair							
a Actual	0 00	0 00	0 00	0 00	0 00	0 00	0 00
b Estimated	0 00	0 00	0 00	0 00	0 00	0 00	0 00
c Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
7 Geothermal Heat Pump							
a Actual	0 00	56,618 03	8,369 98	35,995 90	100,983 91	0 00	100,983 91
b Estimated	0 00	65,717 97	95,375 02	77,164 10	238,257 09	0 00	238 257 09
c Total	0 00	122,336 00	103,745 00	113,160 00	339,241 00	0 00	339,241 00
8 Good Cents Select							
a Actual	1,056,552 60	424,837 60	1,225,625 34	261,538 92	2,968,554 46	189,284 41	2,779,270 05
b Estimated	601,889 78	245,597 40	297,864 66	190,261 08	1,335,612 92	135,091 00	1,200,521 92
c Total	1,658,442 38	670,435 00	1,523,490 00	451,800 00	4,304,167 38	324,375 41	3,979,791 97
9 Comm/Ind Good Cents Bldg							
a Actual	0 00	240,996 05	34,053 92	1,053 08	276,103 05	0 00	276,103 05
b Estimated	0 00	198,138 95	12,861 08	15,582 92	226,582 95	0 00	226,582 95
c Total	0 00	439,135 00	46,915 00	16,636 00	502,686 00	0 00	502,686 00
10 E A & T A A							
a Actual	0 00	264,860 47	43,927 43	0 00	308,787 90	0 00	308,787 90
b Estimated	0 00	231,443 53	44,173 57	4,025 00	279,642 10	0 00	279,642 10
c Total	0 00	496,304 00	88,101 00	4,025 00	588,430 00	0 00	588,430 00
11 Comm/Ind Mail In Audit							
a Actual	0 00	24 277 36	2,565 93	0 00	26,843 29	0 00	26,843 29
b Estimated	0 00	11 861 64	12,290 07	0 00	24,151 71	0 00	24,151 71
c Total	0 00	36 139 00	14,856 00	0 00	50,995 00	0 00	50,995 00
12 Green Pricing							
12a Solar for Schools							
a Actual	0 00	518 53	1,514 91	0 00	2,033 44	0 00	2,033 44
b Estimated	0 00	2,632 47	(858 91)	0 00	1,773 56	0 00	1 773 56
c Total	0 00	3,151 00	656 00	0 00	3,807 00	0 00	3 807 00
12b EarthCents Solar							
a Actual	0 00	8,506 40	270 51	6,791 00	15,567 91	0 00	15,567 91
b Estimated	0 00	8,046 60	5,484 49	6,227 00	19,758 09	0 00	19,758 09
c Total	0 00	16,553 00	5,755 00	13,018 00	35,326 00	0 00	35,326 00
12c Green Pricing							
a Actual	0 00	21,466 83	12,850 44	0 00	34,317 27	0 00	34,317 27
b Estimated	0 00	10,506 17	39,149 56	0 00	49,655 73	0 00	49,655 73
c Total	0 00	31,973 00	52 000 00	0 00	83,973 00	0 00	83,973 00
13 Conservation Demonstration and Development							
a Aquatic Pool	0 00	787 63	330 27	0 00	1 117 90	0 00	1,117 90
b Egin Geothermal	0 00	222 72	535 63	0 00	758 35	0 00	758 35
c Mary Esther School	0 00	4,801 17	28,167 68	0 00	32,968 85	0 00	32,968 85
d Warner Solar	0 00	462 95	250 31	0 00	713 26	0 00	713 26
e Oak Ridge	0 00	198 43	494 04	0 00	692 47	0 00	692 47
f Springhill Suites	0 00	600 50	13 709 82	0 00	14 310 32	0 00	14 310 32
g Pine Forest	0 00	411 04	218 36	0 00	629 40	0 00	629 40
h Triggers	0 00	411 04	218 36	0 00	629 40	0 00	629 40
i Water Furnace	0 00	479 53	328 91	0 00	808 44	0 00	808 44
j Other	0 00	0 00	0 00	0 00	0 00	0 00	0 00
k Total Actual	0 00	8,375 01	44,253 38	0 00	52,628 39	0 00	52,628 39
l Estimated	0 00	4,098 99	16,245 62	0 00	22,345 61	0 00	22,345 61
m Total	0 00	12,474 00	62,500 00	0 00	74,974 00	0 00	74 974 00
14 a Actual	1,056,552 60	1,259,448 85	1,399,108 17	425,499 42	4,140,609 04	189,284 41	3,951 324 63
b Estimated	601,889 78	941,846 15	572,811 83	474,239 58	2,590,787 34	135,091 00	2,455 696 34
15 Total All Programs	1,658,442 38	2,201,295 00	1 971,920 00	899,739 00	6,731 396 38	324 375 41	6,407 020 97

GULF POWER COMPANY

CONSERVATION PROGRAM COSTS (Not Net of Revenues)  
For the Period January, 2003 Through August, 2003, Actual  
September, 2003 Through December, 2003, Estimated

	ACTUAL									ESTIMATED					TOTAL ACTUAL & ESTIMATED COSTS
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	TOTAL ACT	SEP	OCT	NOV	DEC	TOTAL EST	
1 Residential Energy Audits	26,627.42	34,262.95	33,756.96	41,764.70	43,989.00	43,423.94	29,830.81	43,734.34	297,390.12	78,443.00	78,443.00	78,443.00	78,442.88	313,771.88	611,162.00
2 Residential Mail In Audit	1,725.34	1,819.65	4,075.09	13,381.77	8,744.52	12,400.26	3,724.17	11,528.50	57,399.30	19,809.00	19,809.00	19,809.00	19,808.70	79,235.70	136,635.00
3 Gulf Express	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
4 In Concert with the Environment	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
5 Environmental Good Cents Home	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
6 Duct Leakage Repair	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
7 Geothermal Heat Pump	9,144.01	5,759.76	11,263.43	10,905.39	12,441.72	9,497.26	22,026.21	19,946.13	100,983.91	59,564.00	59,564.00	59,564.00	59,566.09	238,257.09	339,241.00
8 Good Cents Select	280,569.92	220,245.94	463,841.16	334,766.57	392,711.94	430,556.00	351,314.79	494,548.14	2,968,554.46	333,903.00	333,903.00	333,903.00	333,903.92	1,335,612.92	4,304,167.38
9 Comm/Ind Good Cents Bldg	33,738.42	31,055.60	34,759.42	41,929.04	36,221.33	34,900.44	34,197.29	29,301.51	276,103.05	56,646.00	56,646.00	56,646.00	56,644.95	226,582.95	502,686.00
10 E A & T A A	38,804.27	32,592.92	38,877.84	40,768.30	38,997.84	44,326.48	37,317.43	37,102.82	308,787.90	69,911.00	69,911.00	69,911.00	69,909.10	279,642.10	588,430.00
11 Comm/Ind Mail In Audit	2,601.45	2,966.13	3,800.49	3,239.22	3,208.27	3,528.07	3,896.50	3,603.16	26,843.29	6,038.00	6,038.00	6,038.00	6,037.71	24,151.71	50,995.00
12 Green Pricing															
12a Solar for Schools	5,346.37	126.31	85.61	(1,528.17)	(2,845.92)	135.78	205.84	507.62	2,033.44	443.00	443.00	443.00	444.55	1,773.56	3,807.00
12b EarthCents Solar	910.52	692.54	2,289.40	1,542.37	3,487.57	2,289.57	2,178.61	2,177.33	15,567.91	4,940.00	4,940.00	4,940.00	4,938.09	19,758.09	35,326.00
12c Green Pricing	10,499.30	3,550.36	(14,722.13)	3,120.67	(17,315.07)	6,306.58	37,856.20	5,021.36	34,317.27	12,414.00	12,414.00	12,414.00	12,413.73	49,655.73	83,973.00
13 Conservation Demonstration and Development										5,586.00	5,586.00	5,586.00	5,587.61	22,345.61	74,974.00
a Aquatic Pool	111.86	54.82	0.00	647.06	60.08	59.56	122.34	62.18	1,117.90						
b Eglin Geothermal	0.00	55.11	215.86	0.00	257.78	107.26	122.34	0.00	758.35						
c Mary Esther School	0.00	6,195.30	13,799.62	0.00	4,216.80	4,226.05	122.34	4,408.74	32,968.85						
d Warner Solar	0.00	59.34	50.78	354.41	61.63	64.74	122.36	0.00	713.26						
e Oak Ridge	0.00	417.91	152.22	0.00	0.00	0.00	122.34	0.00	692.47						
f Springhill Suites	0.00	0.00	14,187.98	0.00	0.00	0.00	122.34	0.00	14,310.32						
g Pine Forest	507.06	0.00	0.00	0.00	0.00	0.00	122.34	0.00	629.40						
h Triggers	507.06	0.00	0.00	0.00	0.00	0.00	122.34	0.00	629.40						
i Water Furnace	116.24	56.92	48.55	274.80	61.32	62.04	123.99	64.58	808.44						
j Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
14 Total All Programs	411,209.24	339,911.56	606,482.28	491,166.13	524,298.81	591,884.03	523,650.58	652,006.41	4,140,609.04	647,697.00	647,697.00	647,697.00	647,696.34	2,590,787.34	6,731,396.38
15 Less Base Rate Recovery	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
16 Net Recoverable Expenses	411,209.24	339,911.55	606,482.28	491,166.13	524,298.81	591,884.03	523,650.58	652,006.41	4,140,609.03	647,697.00	647,697.00	647,697.00	647,696.34	2,590,787.34	6,731,396.38

Florida Public Service Commission  
Docket No. 030002-EG  
GULF POWER COMPANY  
Witness: Angela T Carter  
Exhibit No. \_\_\_\_\_ (ATC-2)  
Schedule C-3  
Page 2 of 5

GULF POWER COMPANY

ESTIMATED TRUE-UP ENERGY CONSERVATION CLAUSE  
For the Period January, 2003 through December, 2003

<u>Conservation Revenues</u>	<u>ACTUAL JAN</u>	<u>ACTUAL FEB</u>	<u>ACTUAL MARCH</u>	<u>ACTUAL APRIL</u>	<u>ACTUAL MAY</u>	<u>ACTUAL JUNE</u>	<u>ACTUAL JULY</u>	<u>ACTUAL AUGUST</u>	<u>ESTIMATED SEPTEMBER</u>	<u>ESTIMATED OCTOBER</u>	<u>ESTIMATED NOVEMBER</u>	<u>ESTIMATED DECEMBER</u>	<u>TOTAL</u>
1 Good Cents Select Program Revenues	21,934 80	21,150 30	19,599 90	19,432 76	22,469 91	26,521 02	28,950 78	29,224 94	31,158 00	32,901 00	34,644 00	36,388 00	324,375 41
2 Conservation Revenues	540,204 23	418,349 09	435,941 96	458,470 02	574,711 16	602,998 99	634,597 38	640,768 19	525,922 01	429,021 02	385,474 92	464,726 14	6,111,185 11
3 Total Revenues	562,139 03	439,499 39	455,541 86	477,902 78	597,181 07	629,520 01	663,548 16	669,993 13	557,080 01	461,922 02	420,118 92	501,114 14	6,435,560 52
4 Adjustment not Applicable to Period - Prior True Up	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	11,800 83	(87,076 13)	42,733 00
5 Conservation Revenues Applicable to Period	573,939 86	451,300 22	467,342 69	489,703 61	608,981 90	641,320 84	675,348 99	681,793 96	568,880 84	473,722 85	431,919 75	414,038 01	6,478,293 52
6 Conservation Expenses (Form C-3 Page 2 of 5)	411,209 24	339,911 55	606,482 28	491,166 13	524,298 81	591,884 03	523,650 58	652,006 41	647,697 00	647,697 00	647,697 00	647,696 34	6,731,396 37
7 True Up this Period (Line 5 minus Line 6)	162,730 62	111,388 67	(139,139 59)	(1,462 52)	84,683 09	49,436 81	151,698 41	29,787 55	(78,816 16)	(173,974 15)	(215,777 25)	(233,658 33)	(253,102 85)
8 Interest Provision this Period (C-3 Pg 4 of 5, Ln 10)	606 98	729 66	678 34	581 18	618 93	621 39	652 75	741 83	713 93	592 48	410 44	245 55	7,193 46
9 True Up & Interest Provision Beginning of Month	493,580 68	645,117 45	745,434 94	595,172 86	582,490 69	655,991 89	694,249 25	834,799 59	853,528 14	763,625 08	578,442 58	351,274 94	493,580 68
10 Prior True Up Collected or Refunded	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	(11,800 83)	87,076 13	(42,733 00)
11 End of Period- Net True Up	645,117 45	745,434 94	595,172 86	582,490 69	655,991 89	694,249 25	834,799 59	853,528 14	763,625 08	578,442 58	351,274 94	204,938 29	204,938 28

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GULF POWER COMPANY  
 INTEREST CALCULATION  
 ENERGY CONSERVATION CLAUSE  
 For the Period January, 2003 through December, 2003

<u>Interest Provision</u>	<u>ACTUAL JAN</u>	<u>ACTUAL FEB</u>	<u>ACTUAL MARCH</u>	<u>ACTUAL APRIL</u>	<u>ACTUAL MAY</u>	<u>ACTUAL JUNE</u>	<u>ACTUAL JULY</u>	<u>ACTUAL AUGUST</u>	<u>ESTIMATED SEPTEMBER</u>	<u>ESTIMATED OCTOBER</u>	<u>ESTIMATED NOVEMBER</u>	<u>ESTIMATED DECEMBER</u>	<u>TOTAL</u>
1 Beginning True up Amount	493,580.68	645,117.45	745,434.94	595,172.86	582,490.69	655,991.89	694,249.25	834,799.59	853,528.14	763,625.08	578,442.58	351,274.94	
2 Ending True up before Interest	644,510.47	744,705.28	594,494.52	581,909.51	655,372.96	693,627.86	834,146.84	852,786.31	762,911.15	577,850.10	350,864.50	204,692.74	
3 Total beginning & ending	1,138,091.14	1,389,822.73	1,339,929.46	1,177,082.37	1,237,863.65	1,349,619.75	1,528,396.09	1,687,585.89	1,616,439.28	1,341,475.17	929,307.07	555,967.67	
4 Average True up Amount	569,045.57	694,911.36	669,964.73	588,541.18	618,931.82	674,809.87	764,198.04	843,792.95	808,219.64	670,737.59	464,653.54	277,983.84	
5 Interest Rate First Day Reporting Business Month	1.29	1.27	1.25	1.18	1.19	1.21	1.00	1.05	1.06	1.06	1.06	1.06	
6 Interest Rate First Day Subsequent Business Month	1.27	1.25	1.18	1.19	1.21	1.00	1.05	1.06	1.06	1.06	1.06	1.06	
7 Total of Lines 5 and 6	2.56	2.52	2.43	2.37	2.40	2.21	2.05	2.11	2.12	2.12	2.12	2.12	
8 Average Interest rate (50% of Line 7)	1.2800	1.2600	1.2150	1.1850	1.2000	1.1050	1.0250	1.0550	1.0600	1.0600	1.0600	1.0600	
9 Monthly Average Interest Rate Line 8 / 12 months	0.001067	0.001050	0.001013	0.000988	0.001000	0.000921	0.000854	0.000879	0.000883	0.000883	0.000883	0.000883	
10 Interest Provision (line 4 X 9)	606.98	729.66	678.34	581.18	618.93	621.39	652.75	741.83	713.93	592.48	410.44	245.55	7,193.46

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Florida Public Service Commission  
 Docket No. 030002-EG  
 GULF POWER COMPANY  
 Witness: Angela T. Carter  
 Exhibit No. \_\_\_\_\_ (ATC-2)  
 Schedule C-3  
 Page 4 of 5

GULF POWER COMPANY

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES  
GOOD CENTS SELECT

For the Period January, 2003 Through December 2003

Line No.	Beginning of Period	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Projected September	Projected October	Projected November	Projected December	Total
1		164,049 88	(164,886 58)	9,799 42	152,773 84	80,511 66	62,536 39	82,562 15	67,558 02	209,748 00	209,748 00	209,748 00	209,748 00	
2	3,681,501 94	3,845,551 82	3,680,665 24	3,690,464 66	3,843,238 50	3,923,750 16	3,986,286 55	4,068,848 70	4,136,406 72	4,346,154 72	4,555,902 72	4,765,650 72	4,975,398 72	
3		7,150 70	7,149 91	7,002 57	7,157 02	7,378 64	7,514 53	7,652 38	7,794 99	8,058 43	8,456 95	8,855 48	9,254 00	93,425 60
4	3,681,501 94	3,845,551 82	3,680,665 24	3,690,464 66	3,843,238 50	3,923,750 16	3,986,286 55	4,068,848 70	4,136,406 72	4,346,154 72	4,555,902 72	4,765,650 72	4,975,398 72	
5	142,483 78	149,634 48	156,784 39	163,786 96	170,943 98	178,322 62	185,837 15	193,489 54	201,284 53	209,342 96	217,799 91	226,655 39	235,909 39	
6	3,539,018 16	3,695,917 34	3,523,880 85	3,526,677 70	3,672,294 52	3,745,427 54	3,800,449 39	3,875,359 16	3,935,122 19	4,136,811 76	4,338,102 81	4,538,995 33	4,739,489 33	
7		0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
8	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	
9	6,420,996 05	6,420,996 05	7,052,196 24	7,725,542 39	7,975,102 25	8,793,750 06	9,231,360 17	9,542,627 65	9,542,627 65	9,402,341 65	9,262,055 65	9,121,769 65	8,981,483 65	
10	9,960,014 21	10,116,913 39	10,576,077 09	11,252,220 09	11,647,396 77	12,539,177 60	13,031,809 56	13,417,986 81	13,477,749 84	13,539,153 41	13,600,158 46	13,660,764 98	13,720,972 98	
11		10,038,463 80	10,346,495 24	10,914,148 59	11,449,808 43	12,093,287 19	12,785,493 58	13,224,898 19	13,447,868 33	13,508,451 63	13,569,655 94	13,630,461 72	13,690,868 98	
12		0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	0 009434	
13		94,702 87	97,608 84	102,984 08	108,017 49	114,088 07	120,618 35	124,763 69	126,867 19	127,438 73	128,016 13	128,589 78	129,159 66	1,402,834 88
14		13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 16	13,515 14	162,181 90
15														
16		115,368 73	118,273 90	123,481 81	128,689 67	134,981 87	141,648 04	145,931 23	148,177 34	149,012 32	149,988 24	150,960 42	151,928 80	1,658,442 38

Notes

- (A) Good Cents Select Property Additions Depreciated at 2.3% per year schedule for revision
- (B) Revenue Requirement Return is 11.3210

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GULF POWER COMPANY  
CALCULATION OF CONSERVATION REVENUES  
For the Period: September, 2003 Through December, 2003

	Month	Projected MWH Sales	Rate (Avg Cents/KWH)	Clause Revenue Net of Revenue Taxes ( \$ )
1.	09/2003	919,955	0.057	525,922.01
2.	10/2003	755,146	0.057	429,021.02
3.	11/2003	680,394	0.057	385,474.92
4.	12/2003	812,110	0.057	464,726.14

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 other low or no cost improvements.

Program Projections: For the period January, 2004, through December, 2004, we expect to achieve 1,500 audits and incur expenses totaling \$552,371.

Program Accomplishments: 1,253 audits have been conducted during the first eight months of 2003. The total projection for 2003 is 1,350.

Program Fiscal Expenditures: Actual expenses for January through August, 2003, were \$297,390 compared to a budget of \$395,622 for the same period. This results in a difference of \$98,232 or 24.8% below budget.

Program Progress Summary: Since the approval of this program Gulf Power Company has performed 131,518 residential energy audits. This is a result of Gulf Power'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 Power Company'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 are returned to the customer and include targeted, timely information about energy conservation opportunities specific to each dwelling.

Program Projections: For the period January, 2004, through December, 2004, we expect 600 audits to be completed and to incur expenses totaling \$100,446.

Program Accomplishments: 901 audits were conducted using this process so far during the current reporting period which exceeds the total projection of 250 for this period.

Program Fiscal Expenditures: Forecasted expenses were \$90,585 for January through August, 2003, compared to actual expenses of \$57,399 for the same months, resulting in a variance of \$33,186 or 36.6% below budget.

Program Progress Summary: This program was approved on August 5, 1997. Since then, 1,967 mail-in audits have been conducted.

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 Power projects no **GoodCents** Environmental Homes to be completed in 2004. Gulf Power Company is no longer promoting this as a stand alone program.

Program Accomplishments: During 2003, 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, there has been little acceptance with builders because of the added cost of materials, availability problems with materials, and current public attitudes toward environmental issues. The Company will maintain the availability of this program to builders and customers; however, Gulf no longer actively advertises and promotes this program.

Program Fiscal Expenditures: For the period January, 2003, through August, 2003, there were no expenses projected and no expenses incurred for this program.

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 developed as a result of Gulf Power Company'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 to recommend repairs that can reduce customer kWh energy usage and kW demand.

Program Projections: Gulf projects no participants in this program for January through December 2004. The program continues to be available should a customer request it.

Program Accomplishments: The Company 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 2003.

Program Fiscal Expenditures: There were no expenses projected and none incurred during this period.

Program Progress Summary: Since the program's beginning, 32 customers have participated.

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 200 units during the 2004 period and expenses of \$339,603. Gulf Power Company's program includes promotion, education, training, and estimated heating and cooling savings for new and existing home customers.

Program Accomplishments: During the current recovery period, 30 Geothermal Heat Pump units have been installed thus far.

Program Fiscal Expenditures: For the first eight months of the recovery period, expenses were projected to be \$210,485 compared to actual expenses of \$100,984 for a deviation of \$109,501 or 52.0% below budget.

Program Progress Summary: To date, 1,862 units have been installed.

Program Description and Progress

Program Title: **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 the 2004 projection period, Gulf Power plans to have 3,000 installations. The program expenses are projected to be \$1,973,439 in depreciation, return on investment and property taxes; \$748,763, payroll; \$2,450,310, materials; and \$550,000, advertising. These expenses will be partially offset by projected program revenues of \$586,416.

Program Accomplishments: A total of 842 units have been installed during the first eight months of 2003. It is anticipated that the total systems installed for the year will be approximately 1,750.

Program Fiscal Expenditures: This program projected expenses of \$2,389,434 for the period January through August, 2003 with actual expenses of \$2,968,554. This results in a deviation of \$579,120 or 24.2% over budget. The program is over budget due to the fact that there are expenses associated with the program that have not been offset by planned installations and subsequent revenues from the program.

Program Progress Summary: As of August, 2003, there are 3,830 participating customers.

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 2004 recovery period, we expect to certify 155 **GoodCents** Buildings and incur expenses totaling \$531,509.

Program Accomplishments: Certification of 120 buildings has been achieved during January through August, 2003. The annual projection for 2003 is 117 buildings.

Program Fiscal Expenditures: Forecasted expenses for January through August, 2003, were \$323,803 compared to actual expenses of \$276,103 for a deviation of \$47,700 or 14.7% under budget.

Program Progress Summary: A total of 8,267 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 (E.A./T.A.A)

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 from 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 semi-annual 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, 2004 through December, 2004, the Company expects to conduct 125 audits and incur expenses totaling \$608,208.

Program Accomplishments: During the January through August, 2003, period actual results were 112 audits.

Program Fiscal Expenditures: Forecasted expenses were \$380,822 for the first eight months of 2003 compared to actual expenses of \$308,788 for a deviation of \$72,034 or 18.9% under the budget.

Program Progress Summary: A total of 11,454 EA/TAA's have been completed since the program started in January, 1981. These audits have ranged from the 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 supplements Gulf Power's existing Commercial/Industrial Energy Audit program and assists 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 Company 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 is returned to the customer and includes targeted, timely information about energy conservation opportunities specific to each business type and geographic area.

Program Projections: Gulf expects to have 600 customers participate in the Commercial Mail-in Audit during the 2004 projection period and incur expenses of \$48,162.

Program Accomplishments: In 2003 to date, 585 mail-in audits have been completed. The annual projection for 2003 is to complete 624 mail-in audits.

Program Fiscal Expenditures: This program incurred actual expenses year-to-date of \$26,843 compared to a budget of \$32,040 for a deviation of \$5,197 or 16.2% under goal.

Program Progress Summary: Since 1997, 5,453 mail-in audits have been completed.

Program Description and Progress

Program Title: Green Pricing

Program Description: The Green Pricing Program is designed to encompass a variety of voluntary renewable and green energy programs under development by Gulf Power Company. The voluntary pricing options for customers will include, but not be limited to **EarthCents Solar** (Photovoltaic Rate Rider) and the Solar for Schools program. Additionally, this program will include expenses necessary to prepare and implement a green energy pilot program utilizing landfill gas, wind, solar or other renewable energy sources.

Program Accomplishments:

Solar for Schools: The principle objective of the Solar for Schools program is to implement cost-effective solar education and demonstration projects at local educational facilities by means of voluntary contributions. The program also seeks to increase renewable energy and energy awareness among students, parents and contributors. Solar for Schools is a program that uses voluntary contributions to fund materials for energy education, permanent demonstration displays, rewards for science contests, and teacher education. Voluntary contributions are solicited from customers interested in renewable energy and/or helping to improve the quality of schools in the Gulf Power Company service area. Funds are collected through a "check-off" mechanism on the utility bill or through a direct contribution and accumulated in an interest bearing account. When contributions reach an adequate level, they are directed to an educational facility for implementation of various solar educational programs and for the installation of solar equipment. Contributions are not used for administrative costs, program research or for promotion costs.

Gulf Power Company continues to monitor a 4 kW PV solar system installed in 2000 at the Junior Museum of Bay County. This PV system operates computer equipment and other electrical items within the museum itself to demonstrate the capabilities of solar energy to the youth of Bay County and the surrounding areas.

Gulf Power Company has implemented two Solar for Schools projects during the 2003 calendar year at Meigs Middle School in Shalimar and West Florida High School of Advanced Technology in Pensacola.

A workshop was conducted to increase each teacher's content knowledge of solar energy (photovoltaics), energy efficiency, and renewable energy and to enhance their ability to provide relevant hands-on learning experiences to their students. At the workshop, teachers performed various experiments using equipment provided by the Florida Solar Energy Center. Additionally, each school received a curriculum for their class. A total of nine teachers participated in the workshop from both schools.

Meigs Middle School and West Florida High School of Advanced Technology also each received a 4 kW photovoltaic solar array and data acquisition system whose energy output and other data are relayed to the teachers via the internet. The real time data can also be viewed from Gulf Power's external web site. The solar arrays were purchased in part through a grant from the Florida Solar Energy Center and funds from the Solar for Schools contribution program. Moreover, the energy provided from the solar array has been donated to the schools in order to reduce their reliance on energy provided from Gulf Power.

**EarthCents Solar** (Photovoltaic Optional Rate Rider): The PV Rate Rider is an optional rate rider for Gulf Power Company's customers. Customers may purchase photovoltaic energy in 100-watt blocks. Multiple blocks may be purchased. Power purchased or produced from photovoltaic facilities may not be specifically delivered to the customer, but will displace power that would have otherwise been produced from traditional generating facilities. The construction of the photovoltaic facility or the purchase of power from photovoltaic facilities will begin upon the attainment of sufficient commitments from all participants across the Southern Company electric system where the option is available and, as necessary, after obtaining PSC approval. Customer billing will begin the second month following the date in which power is purchased from photovoltaic generating facilities or in which a photovoltaic generating facility of the Southern Company begins commercial operation. As of August, 2003, 77 customers have signed up for 99 100-watt blocks of energy.

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Program Fiscal Expenditures: There were expenses of \$133,414 projected for the period January through August, 2003. Actual expenses for this period are: Solar for Schools, \$2,033; Green Pricing, \$34,317; and **EarthCents Solar**, \$15,568.

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 and 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:

Aquatic Pool - The project involves the installation of an air source heat pump water heater/dehumidification system. The system capacity is 22.5 tons. The pool is 75 X 42 square feet, 116,550 gallons and heated by a 400,000 btuh natural gas pool heater.

Eglin Geothermal - Installation of one geothermal system in family housing unit at Eglin AFB. Monitor geothermal system at various points to determine actual field efficiency of geothermal system. Also, install monitoring on identical type unit with conventional A/C system with gas furnace. Study will be for a one-year period to gather data in both cooling and heating operation of systems.

Groovin'Noovin' - Gulf Power Company is monitoring two pieces of cooking equipment at two different store locations. Energy usage is monitored over the next year and a comparison report will be prepared at that time.

Hampton Inn - The Hampton Inn is being used to study geothermal heat pump water heaters for their laundry and pool heating requirements. The laundry room is cooled and the water heated with geothermal heat pump water heaters. The hotel pool is heated with a geothermal heat pump water heater. This project has been completed and a final report submitted.

Mary Esther School - In 2003, Gulf produced and installed a triple-function heat pump unit, along with the necessary hot water storage, pumping, piping and controls at Mary Esther School (Mary Esther, Fl - Okaloosa County School District),

to provide a completely operational commercial triple-function heat pump application. Gulf also provided appropriate air source, triple function heat pump design for commercial applications demonstrating commercial viability and optimal functionality. Metering and monitoring equipment will be installed and a final report will be prepared.

Oak Ridge - This project is an application of a new product to overcome market barriers to heat pump water heaters such as ease of installations, cost and performance. This new product has the refrigeration system built-in and a plumber can install the system just like any other electric water heater. All parts are standard reliable components that are proven in the refrigeration market. This project has been completed and a final report submitted.

Pine Forest High School - Gulf Power Company is monitoring several pieces of equipment at the culinary arts department of a local high school. Energy usage is being monitored over the next year and a comparison report will be prepared at that time.

Sealed Semi-Conditioned Attic - The semi-conditioned attic as well as the living space of a home will be conditioned/de-humidified utilizing the enhanced de-humidification capabilities of a closed-loop geothermal heat pump with zone control. The attic will be monitored and sealed using a vapor barrier and spray foam insulation combination that should significantly reduce the infiltration of hot humid air into the attic space. A report will be submitted once the research is complete.

Solar Light - Gulf Power Company is presently testing a solar Photovoltaic light at our Pine Forest facility. The solar light is being monitored for energy consumption and 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, the Company did use funds from the Conservation Demonstration and Development program.

Springhill Suites - This project will monitor various energy and water flows for the Springhill Suites Hotel. This hotel is the first hybrid geothermal commercial project in Gulf

Power Company's service area. Monitoring the energy and water flows will enable Gulf to demonstrate and document the energy savings and conservation benefits of geothermal applications to building owners, architects, and energy managers.

Triggers - Triggers is a research site designed to study the effectiveness of a heat pump water heater for commercial use. This project has been completed and a final report submitted.

Warner Solar - This project will study the electrical output of a 2.4 kW photovoltaic solar array installed at a small business. This is the first small pv interconnection agreement with Gulf Power. A report will be submitted once the study is complete.

Water Furnace - This research project is designed to study the experimental refrigerant R410A. A comparative study is being done between this new refrigerant and present refrigerants that are to be phased out of production due to EPA mandates.

Program Fiscal Expenditures: Program expenses were forecasted at \$41,032 compared to actual expenses of \$52,628 for a deviation of \$11,596 over budget. Expenses are over budget due to under-estimating project costs. Project expenses were as follows: Aquatic Pool, \$1,118; Eglin Geothermal, \$758; Mary Esther School, \$32,969; Oak Ridge, \$692; Springhill Suites, \$14,310; Pine Forest High School, \$630; Triggers, \$630 Warner Solar, \$713; Water Furnace, \$808.