

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENERGY CONSERVATION COST
RECOVERY CLAUSE**

DOCKET NO. 050002-EG

**PREPARED DIRECT TESTIMONY AND
EXHIBIT OF
WILLIAM D. EGGART**

**Projection
JANUARY – DECEMBER 2006**

**Estimated/Actual True-up
JANUARY - DECEMBER 2005**

September 27, 2005



DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony and Exhibit of
4 William D. Eggart
5 Docket No. 050002-EG
6 Energy Conservation Cost Recovery Clause
7 September 27, 2005

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

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

14 Q. Mr. Eggart, please describe your educational background
15 and business experience.

16 A. My employment at Gulf Power Company began in 1983. I
17 graduated from The University of West Florida in
18 Pensacola, Florida in 1984 with a Bachelor of Science
19 Degree in Management and from Troy State University in
20 Pensacola, Florida in 1988 with a Master of Science
21 Degree in Management. I have held various positions
22 of increasing responsibility with Gulf Power in both
23 District and Corporate Marketing. For the past 8 ½
24 years, I have supervised the GoodCents Select group as
25 Team Leader. I assumed my current position as the
Economic Evaluation and Market Reporting Team Leader in

1 April 2005.

2

3 Q. Have you previously testified before this Commission in
4 connection to the Energy Conservation Cost Recovery
5 Clause?

6 A. Yes.

7

8 Q. Are you familiar with the schedules for the Energy
9 Conservation Cost Recovery Clause?

10 A. Yes, I am.

11

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

14 A. Yes, I have.

15

16 Counsel: We ask that Mr. Eggart's exhibit
17 consisting of 5 Schedules be marked for
18 identification as: Exhibit No. ____ (WDE-2).

19

20 Q. Mr. Eggart, for what purpose are you appearing before
21 this Commission today?

22 A. I am testifying before this Commission on behalf of
23 Gulf Power Company regarding matters related to the
24 Energy Conservation Cost Recovery Clause and to answer
25 any questions concerning the accounting treatment of

1 recoverable conservation costs in this filing.
2 Specifically, I will address projections for approved
3 programs during the January 2006 through December 2006
4 recovery period and the anticipated results of those
5 programs during the current recovery period, January
6 2005 through December 2005 (8 months actual, 4 months
7 estimated).

8
9 Q. Would you summarize for this Commission the deviations
10 resulting from the actual costs for January through
11 August of the current recovery period?

12 A. Projected expenses for the first eight months of the
13 current period were \$5,812,131 compared to actual
14 expenses of \$5,328,049 for a difference of \$484,082 or
15 8.33% under budget. A detailed summary of all program
16 expenses is contained in my Schedule C-3, pages 1 and 2
17 and my Schedule C-5, pages 1 through 12.

18
19 Q. Have you provided a description of the program results
20 achieved during the period, January 2005 through August
21 2005?

22 A. Yes. A detailed summary of year-to-date results for
23 each program is contained in my Schedule C-5, pages 1
24 through 12.

25

1 Q. Would you summarize the conservation program cost
2 projections for the January 2006 through December 2006
3 recovery period?

4 A. Program costs for the projection period are estimated
5 to be \$10,001,621. These costs are broken down as
6 follows: depreciation, return on investment and
7 property taxes, \$2,218,286; payroll/benefits,
8 \$2,971,270; materials/expenses, \$4,948,008; and
9 advertising, \$687,138; all of which are partially
10 offset by program revenues of \$823,081. More detail is
11 contained in my Schedule C-2.

12

13 Q. Would you describe the expected results for your on-
14 going programs during the January 2006 through December
15 2006 recovery period?

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

17 (1) Residential Energy Surveys - During the recovery
18 period, 5,572 surveys are projected to be
19 completed. The objective of this program is to
20 provide Gulf Power Company's existing residential
21 customers, and individuals building new homes,
22 with energy conservation advice that encourages
23 the implementation of efficiency measures. These
24 measures result in energy savings for the customer

1 as well as energy and peak demand reductions on
2 Gulf's system.

3 (2) Residential Geothermal Heat Pump - The objective
4 of this program is to reduce the demand and energy
5 requirements of new and existing residential
6 customers through the promotion and installation
7 of advanced and emerging geothermal systems.
8 During the upcoming projection period, 300
9 customers are expected to participate in the
10 program.

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

21 The Company projects 3,000 installations in
22 2006.

23 (4) Commercial/Industrial Energy Analysis -
24 This is an interactive program that provides
25 commercial/industrial customers assistance in

1 identifying energy conservation opportunities.
2 The program is a prime tool for the Gulf Power
3 Company C/I Energy Specialists to personally
4 introduce customers to conservation measures,
5 including low or no-cost improvements, or new
6 electro-technologies to replace old or inefficient
7 equipment. Further, this program facilitates the
8 load factor improvement process necessary to
9 increase performance for both the customer and the
10 Company. Gulf Power projects 300 participants in
11 2006.

12 (5) GoodCents Building - The GoodCents Building
13 program objective is to reduce peak electrical
14 demand and annual energy consumption in
15 commercial/industrial buildings. This program
16 provides guidelines and assistance to ensure that
17 buildings are constructed with energy efficiency
18 levels above the Florida Energy Efficiency Code
19 for Building Construction. For the projection
20 period, 155 buildings are expected to meet program
21 standards.

22 (6) Commercial Geothermal Heat Pump - The objective of
23 this program is to reduce the demand and energy
24 requirements of new and existing commercial/
25 industrial customers through the promotion and

1 (9) Conservation Demonstration and Development -
2 Costs associated with the Conservation
3 Demonstration and Development program are provided
4 in Schedule C-2. Further description of these
5 activities can be found in Schedule C-5.

6
7 Q. Mr. Eggart, have there been any developments in any
8 existing program that will have a significant affect on
9 the amount being requested for recovery in 2005 or 2006?

10 A. Yes. A net reduction in recoverable expenses is
11 projected for the remainder of 2005. Several programs
12 including the Residential Geothermal Heat Pump,
13 GoodCents Buildings, and Energy Services programs were
14 reduced to reflect the temporary decrease in customer
15 participation as a result of the continuing restoration
16 efforts of Hurricanes Ivan, Dennis and Katrina. The
17 anticipated increase after Hurricane Ivan has been
18 delayed as more hurricanes and storms have forced
19 customers and the Company to continue the focus on
20 restoration efforts. The Green Pricing program is also
21 being reduced as more time is needed to research
22 renewable energy sources before additional expenses are
23 warranted to further promote a green energy pilot
24 program. Expenses for the Conservation Demonstration

1 and Development program are being reduced in 2005 since
2 there are less than anticipated research opportunities.

3 Additional expenses in 2006 are projected for the
4 new programs included in the Demand-Side Management
5 Plan which was approved by this Commission in 2005.
6 These new programs include the Commercial Geothermal
7 Heat Pump Program and the New Home Audit portion of the
8 Residential Energy Survey Program. Expenses for the
9 GoodCents *Select* program were also increased in 2006
10 for anticipated operational and maintenance increases
11 and to stimulate customer participation.

12

13 Q. How does the proposed 2006 Energy Conservation Cost
14 Recovery factor for Rate Schedule RS compare with the
15 factor applicable to December 2005 and how would the
16 change affect the cost of 1,000 kWh on Gulf Power
17 Company's residential rate RS?

18 A. The current Energy Conservation Cost Recovery factor
19 for Rate Schedule RS applicable through December 2005
20 is 0.088¢/kWh compared with the proposed factor of
21 0.088¢/kWh. For a residential customer who uses 1,000
22 kWh in January 2006 the conservation portion of the
23 bill will not change.

24

25 Q. When does Gulf Power Company propose to collect these

1 Energy Conservation Cost Recovery charges?

2 A. The factors will be effective beginning with the first
3 bill group for January 2006 and continue through the
4 last bill group for December 2006.

5

6 Q. Mr. Eggart, does this conclude your testimony?

7 A. Yes, it does.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

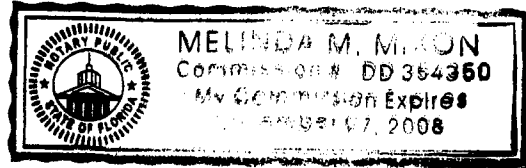
Docket No. 050002-EG

Before me the undersigned authority, personally appeared William D. Eggart, who being first duly sworn, deposes and says that he 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 his knowledge, information and belief. He is personally known to me.

William D. Eggart

William D. Eggart
Economic Evaluation and Market
Reporting Team Leader

Sworn to and subscribed before me this 20th day of September, 2005.



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

GULF POWER COMPANY
ENERGY CONSERVATION COST RECOVERY CLAUSE
INDEX OF SCHEDULES

Schedule Number	Title	Pages
C-1	Summary of Cost Recovery Clause Calculation	1-3
C-2	Projected Program Costs for January 2006 - December 2006	4-7
C-3	Conservation Program Costs for January 2005 - August 2005 Actual September 2005 - December 2005 Estimated	8-13
C-4	Calculation of Conservation Revenues	14
C-5	Program Descriptions and Progress Reports	15-26

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

For the Period: January 2006 Through December 2006

	\$
1. Net Program Costs: Projected for 2006 (Schedule C-2 Page 1 of 4, Line 12)	10,001,621
2. True Up: Estimated 2005 (Jan-Aug Actual; Sep-Dec Est.) (Schedule C-3, Page 3 of 6)	(486,491)
3. Total (Line 1 + Line 2)	9,515,130
4. Cost Subject to Revenue Taxes	9,515,130
5. Revenue Tax	1.00072
6. Total Recoverable Cost	9,521,981

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

7. Total Cost	9,521,981
8. Energy Related Costs	6,217,950
9. Demand Related Costs (total)	3,304,031
10. Demand Costs Allocated on 12 CP	3,049,875
11. Demand Costs Allocated on 1/13 th	254,156

	Energy \$	Demand \$ Half of GCS	Total	Energy	Demand	Total Recoverable Costs Including Revenue Taxes
	\$	\$	\$	\$	\$	\$
12. Est/Actual 2005	5,998,929	3,459,293	9,458,222	(308,803)	(178,038)	(486,841)
13. Percentage	63.43%	36.57%	100.00%			
14. Projected 2006	6,522,360	3,479,261	10,001,621	6,526,753	3,482,069	10,008,822
15. Percentage	65.21%	34.79%	100.00%			
16. Total				6,217,950	3,304,031	9,521,981

GULF POWER COMPANY
ENERGY CONSERVATION COST RECOVERY FACTORS
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS
For January 2006 Through December 2006

Rate Class	A	B	C	D	E	F	G	H	I
Rate Class	Average 12 CP Load Factor at Meter	Jan - Dec 2006 Projected KWH Sales at Meter	Projected Avg 12 CP KW at Meter	Demand Loss Expansion Factor	Energy Loss Expansion Factor	Jan - Dec 2006 Projected KWH Sales at Generation	Projected Avg 12 CP KW at Generation	Percentage of KWH Sales at Generation	Percentage of 12 CP KW Demand at Generation
RS, RSVP	61.971315%	5,315,741,000	979,194.57	1.00530100	1.00530097	5,343,919,584	984,385.28	47.19356%	53.73354%
GS	64.200053%	312,897,000	55,636.77	1.00529780	1.00529775	314,554,650	55,931.52	2.77791%	3.05307%
GSD, GSDT, GSTOU	73.167949%	2,653,182,000	413,944.44	1.00516600	1.00516604	2,666,888,444	416,082.88	23.55199%	22.71225%
LP, LPT	84.177808%	1,880,921,000	255,075.55	0.98911990	0.98911989	1,860,456,373	252,300.30	16.43018%	13.77203%
PX, PXT, RTP, SBS	101.650370%	1,020,579,000	114,612.91	0.98057250	0.98057253	1,000,751,732	112,386.27	8.83790%	6.13470%
OS - I / II	160.732077%	108,918,000	7,735.58	1.00529490	1.00529485	109,494,704	7,776.54	0.96698%	0.42449%
OS-III	100.278526%	27,201,000	3,096.51	1.00526830	1.00526827	27,344,302	3,112.82	0.24148%	0.16992%
TOTAL		<u>11,319,439,000</u>	<u>1,829,296.33</u>			<u>11,323,409,789</u>	<u>1,831,975.61</u>	<u>100.00000%</u>	<u>100.00000%</u>

Notes:

Col A : Average 12 CP load factor based on actual 2003 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

GULF POWER COMPANY
ENERGY CONSERVATION COST RECOVERY FACTORS
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS
For January 2006 Through December 2006

<u>Rate Class</u>	A <u>Jan - Dec 2006 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>Jan - Dec 2006 Projected KWH Sales at Meter</u>	H <u>Conservation Recovery Factor cents per KWH</u>
RS, RSVP	47.19356%	53.73354%	\$1,638,806	\$119,945	\$2,934,473	\$4,693,224	5,315,741,000	0.088
GS	2.77791%	3.05307%	93,115	7,060	172,729	272,904	312,897,000	0.087
GSD, GSDT, GSTOU	23.55199%	22.71225%	692,695	59,859	1,464,451	2,217,005	2,653,182,000	0.084
LP, LPT	16.43018%	13.77203%	420,030	41,758	1,021,620	1,483,408	1,880,921,000	0.079
PX, PXT, RTP, SBS	8.83790%	6.13470%	187,101	22,462	549,536	759,099	1,020,579,000	0.074
OS - I / II	0.96698%	0.42449%	12,946	2,458	60,126	75,530	108,918,000	0.069
OS-III	0.24148%	0.16992%	5,182	614	15,015	20,811	27,201,000	0.077
TOTAL	100.00000%	100.00000%	\$3,049,875	\$254,156	\$6,217,950	\$9,521,981	11,319,439,000	

Notes:

- 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 2006 through December 2006
- H Col F / G

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
PROJECTED CONSERVATION PROGRAM NET COSTS
For the Period January 2006 Through December 2006

Programs	Depreciation, Return & Property Taxes	Payroll & Benefits	Materials Vehicles & Expenses	Other	Advertising	Incentives	Total Costs	Program Fees	Net Costs
1. Residential Energy Surveys	1,946	584,652	86,186	0	203,451	0	876,235	0	876,235
2. Residential Geothermal Heat Pump	0	99,057	187,114	0	114,455	0	400,626	0	400,626
3. GoodCents <i>Select</i>	2,216,340	1,105,490	4,184,772	0	275,000	0	7,781,602	823,081	6,958,521
4. Comm/Ind Energy Analysis	0	572,740	111,517	0	4,072	0	688,329	0	688,329
5. Comm/Ind GoodCents Buildings	0	516,458	66,696	0	15,160	0	598,314	0	598,314
6. Comm. Geothermal Heat Pump	0	38,541	13,500	0	0	0	52,041	0	52,041
7. Energy Services	0	0	84,750	0	0	0	84,750	0	84,750
8. Green Pricing									
a. Solar for Schools	0	2,543	656	0	0	0	3,199	0	3,199
b. EarthCents Solar	0	15,265	10,098	0	25,000	0	50,363	0	50,363
c. Green Pricing Initiatives	0	16,413	60,312	0	50,000	0	126,725	0	126,725
9. Research & Develop (CDD)	0	20,111	142,407	0	0	0	162,518	0	162,518
10. Total All Programs	2,218,286	2,971,270	4,948,008	0	687,138	0	10,824,702	823,081	10,001,621
11. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
12. Net Program Costs	2,218,286	2,971,270	4,948,008	0	687,138	0	10,824,702	823,081	10,001,621

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
PROJECTED CONSERVATION PROGRAM COSTS (NET OF PROGRAM FEES)
For the Period January 2006 Through December 2006

Programs	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 MONTH TOTAL	DEMAND COSTS	ENERGY COSTS
1. Residential Energy Surveys	55,215	56,001	80,963	64,534	65,257	82,713	83,377	81,325	95,274	72,941	69,428	69,207	876,235	0	876,235
2. Residential Geothermal Heat Pump	16,750	17,320	22,548	19,438	30,382	48,742	50,182	50,855	38,013	35,140	35,256	36,000	400,626	0	400,626
3. GoodCents <i>Select</i>	539,816	558,276	620,681	569,884	576,412	562,667	568,197	580,643	619,641	583,617	593,285	585,402	6,958,521	3,479,261	3,479,260
4. Comm/Ind Energy Analysis	50,246	51,064	75,746	52,964	53,257	54,547	53,825	55,071	76,669	54,871	55,333	54,736	688,329	0	688,329
5. Comm/Ind GoodCents Buildings	43,431	44,185	66,420	46,024	46,375	46,721	46,830	47,812	67,381	47,611	48,049	47,475	598,314	0	598,314
6. Comm. Geothermal Heat Pump	4,016	4,016	5,592	4,103	4,103	4,103	4,103	4,103	5,592	4,103	4,103	4,104	52,041	0	52,041
7. Energy Services	7,062	7,062	7,062	7,062	7,062	7,062	7,062	7,062	7,062	7,062	7,062	7,068	84,750	0	84,750
8. Green Pricing															
a. Solar for Schools	246	246	350	251	251	251	251	251	350	251	251	250	3,199	0	3,199
b. EarthCents Solar	4,019	4,029	4,662	4,082	4,092	4,102	4,112	4,122	4,722	4,142	4,142	4,137	50,363	0	50,363
c. Green Pricing Initiatives	7,345	7,845	9,016	8,882	9,382	14,882	10,382	10,882	12,016	11,882	11,882	12,329	126,725	0	126,725
9. Research & Develop (CDD)	10,938	13,152	15,232	13,141	13,204	13,052	12,994	14,369	13,888	13,228	13,242	16,078	162,518	0	162,518
10. Total All Programs	739,084	763,196	908,272	790,365	809,777	838,842	841,315	856,495	940,608	834,848	842,033	836,786	10,001,621	3,479,261	6,522,360
11. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Recoverable Conservation Expenses	739,084	763,196	908,272	790,365	809,777	838,842	841,315	856,495	940,608	834,848	842,033	836,786	10,001,621	3,479,261	6,522,360

5

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
Residential Energy Surveys - Flow Meter
For the Period January 2006 Through December 2006

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)		0	0	0	0	0	0	0	0	0	0	0	0	
2.	Depreciation Base	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	
3.	Depreciation Expense (A)		96	96	96	96	96	96	96	96	96	96	96	96	1,152
4.	Cumulative Plant in Service Additions	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	
5.	Less: Accumulated Depreciation	1,156	1,252	1,348	1,444	1,540	1,636	1,732	1,828	1,924	2,020	2,116	2,212	2,308	
6.	Net Plant in Service (Line 4 - 5)	6,938	6,842	6,746	6,650	6,554	6,458	6,362	6,266	6,170	6,074	5,978	5,882	5,786	
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	0	0	0	0	0	0	0	0	0	0	0	0	0	
10.	Net Investment (Line 6 + 8 + 9)	6,938	6,842	6,746	6,650	6,554	6,458	6,362	6,266	6,170	6,074	5,978	5,882	5,786	
11.	Average Net Investment		6,890	6,794	6,698	6,602	6,506	6,410	6,314	6,218	6,122	6,026	5,930	5,834	
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		65	64	63	62	61	60	60	59	58	57	56	55	720
14.	Property Taxes		6	6	6	6	6	6	6	6	6	6	6	8	74
15.	Total Depreciation, Return and Property Taxes (Line 3+13+14)		167	166	165	164	163	162	162	161	160	159	158	159	1,946

Notes:

- (A) Flow Meter Depreciated at 14.2857% per year
(B) Revenue Requirement Return is 11.321%

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
GoodCents Select
For the Period January 2006 Through December 2006

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)		142,724	179,900	201,518	223,430	266,105	292,887	361,593	401,993	362,827	352,794	171,288	154,649	
2.	Depreciation Base	9,108,510	9,251,234	9,431,134	9,632,652	9,856,082	10,122,187	10,415,074	10,776,667	11,178,660	11,541,487	11,894,281	12,065,569	12,220,218	
3.	Depreciation Expense (A)		17,442	17,748	18,111	18,514	18,979	19,510	20,132	20,858	21,584	22,264	22,762	23,071	240,975
4.	Cumulative Plant in Service Additions	9,108,510	9,251,234	9,431,134	9,632,652	9,856,082	10,122,187	10,415,074	10,776,667	11,178,660	11,541,487	11,894,281	12,065,569	12,220,218	
5.	Less: Accumulated Depreciation	586,693	604,135	621,883	639,994	658,508	677,487	696,997	717,129	737,987	759,571	781,835	804,597	827,668	
6.	Net Plant in Service (Line 4 - 5)	8,521,817	8,647,099	8,809,251	8,992,658	9,197,574	9,444,700	9,718,077	10,059,538	10,440,673	10,781,916	11,112,446	11,260,973	11,392,551	
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	5,904,332	6,007,842	6,053,495	6,072,254	6,074,814	6,060,919	6,016,045	5,951,177	5,836,878	5,692,806	5,574,808	5,462,464	5,453,237	
10.	Net Investment (Line 6 + 8 + 9)	14,426,149	14,654,941	14,862,746	15,064,912	15,272,388	15,505,619	15,734,122	16,010,715	16,277,551	16,474,722	16,687,254	16,723,437	16,845,788	
11.	Average Net Investment		14,540,545	14,758,844	14,963,829	15,168,650	15,389,004	15,619,871	15,872,419	16,144,133	16,376,137	16,580,988	16,705,345	16,784,612	
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		137,176	139,235	141,169	143,101	145,180	147,358	149,740	152,304	154,492	156,425	157,598	158,346	1,782,124
14.	Property Taxes		16,103	16,103	16,103	16,103	16,103	16,103	16,103	16,103	16,103	16,103	16,103	16,108	193,241
15.	Total Depreciation, Return and Property Taxes (Line 3+13+14)		170,721	173,086	175,383	177,718	180,262	182,971	185,975	189,265	192,179	194,792	196,463	197,525	2,216,340

Notes:

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

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
CONSERVATION PROGRAM NET COST
January 2005 Through August 2005, Actual
September 2005 Through December 2005, Estimated

Actual	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Materials Vehicles & Expenses	Advertising	Total Costs	Program Fees	Net Costs
1. Residential Energy Audits							
a. Actual	1,400.95	188,031.86	34,209.47	62,164.65	285,806.93	0.00	285,806.93
b. Estimated	678.67	142,407.14	28,869.53	65,105.35	237,060.69	0.00	237,060.69
c. Total	2,079.62	330,439.00	63,079.00	127,270.00	522,867.62	0.00	522,867.62
2. Residential Mail In Audit							
a. Actual	0.00	16,807.40	2,036.28	35,392.94	54,236.62	0.00	54,236.62
b. Estimated	0.00	8,700.32	0.00	40,788.06	49,488.38	0.00	49,488.38
c. Total	0.00	25,507.72	2,036.28	76,181.00	103,725.00	0.00	103,725.00
3. Residential New Home Audit							
a. Actual	0.00	90,379.12	6,310.92	(224.72)	96,465.32	0.00	96,465.32
b. Estimated	0.00	95,000.00	4,000.00	224.72	99,224.72	0.00	99,224.72
c. Total	0.00	185,379.12	10,310.92	0.00	195,690.04	0.00	195,690.04
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. Residential Geothermal Heat Pump							
a. Actual	0.00	59,304.66	14,354.61	24,220.67	97,879.94	0.00	97,879.94
b. Estimated	0.00	61,326.34	48,675.39	45,234.33	155,236.06	0.00	155,236.06
c. Total	0.00	120,631.00	63,030.00	69,455.00	253,116.00	0.00	253,116.00
8. GoodCents Select							
a. Actual	1,313,493.17	719,334.12	1,749,102.49	174,904.11	3,956,833.89	342,758.00	3,614,075.89
b. Estimated	677,867.89	354,956.88	1,553,830.51	375,095.89	2,961,751.17	218,419.00	2,743,332.17
c. Total	1,991,361.06	1,074,291.00	3,302,933.00	550,000.00	6,918,585.06	561,177.00	6,357,408.06
9. Comm/Ind Good Cents Bldg							
a. Actual	0.00	316,488.04	36,181.06	420.00	353,089.10	0.00	353,089.10
b. Estimated	0.00	163,040.96	34,114.94	740.00	197,895.90	0.00	197,895.90
c. Total	0.00	479,529.00	70,296.00	1,160.00	550,985.00	0.00	550,985.00
10. E.A. & T.A.A.							
a. Actual	0.00	302,715.58	37,920.84	0.00	340,636.42	0.00	340,636.42
b. Estimated	0.00	218,620.42	66,759.16	72.00	285,451.58	0.00	285,451.58
c. Total	0.00	521,336.00	104,680.00	72.00	626,088.00	0.00	626,088.00
11. Comm/Ind Mail In Audit							
a. Actual	0.00	19,775.69	525.22	0.00	20,300.91	0.00	20,300.91
b. Estimated	0.00	7,774.31	354.78	0.00	8,129.09	0.00	8,129.09
c. Total	0.00	27,550.00	880.00	0.00	28,430.00	0.00	28,430.00
12. Commercial Geothermal Heat Pump							
a. Actual	0.00	15,455.70	2,114.40	0.00	17,570.10	0.00	17,570.10
b. Estimated	0.00	16,000.00	1,999.60	0.00	17,999.60	0.00	17,999.60
c. Total	0.00	31,455.70	4,114.00	0.00	35,569.70	0.00	35,569.70
13. Green Pricing							
a. Solar for Schools							
a. Actual	0.00	405.78	417.22	0.00	823.00	0.00	823.00
b. Estimated	0.00	1,954.22	238.78	0.00	2,193.00	0.00	2,193.00
c. Total	0.00	2,360.00	656.00	0.00	3,016.00	0.00	3,016.00
b. EarthCents Solar							
a. Actual	0.00	10,134.40	5,444.67	11,231.53	26,810.60	0.00	26,810.60
b. Estimated	0.00	9,036.60	3,309.33	13,768.47	26,114.40	0.00	26,114.40
c. Total	0.00	19,171.00	8,754.00	25,000.00	52,925.00	0.00	52,925.00
c. Green Pricing Initiatives							
a. Actual	0.00	21,879.04	956.68	0.00	22,835.72	0.00	22,835.72
b. Estimated	0.00	14,324.96	31,059.32	0.00	45,384.28	0.00	45,384.28
c. Total	0.00	36,204.00	32,016.00	0.00	68,220.00	0.00	68,220.00
14. Conservation Demonstration and Development							
a. Eglin Geothermal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Electrode Boiler	0.00	7,948.68	42,720.17	0.00	50,668.85	0.00	50,668.85
c. Sealed, Semi-Conditioned Attic	0.00	3,813.62	278.15	0.00	4,091.77	0.00	4,091.77
d. Warner Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Water Furnace	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f. Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g. Total Actual	0.00	11,762.30	42,998.32	0.00	54,760.62	0.00	54,760.62
h. Estimated	0.00	5,754.70	38,489.68	0.00	44,244.38	0.00	44,244.38
i. Total	0.00	17,517.00	81,488.00	0.00	99,005.00	0.00	99,005.00
15. Energy Services							
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
16. a. Actual	1,314,894.12	1,772,473.69	1,932,572.18	308,109.18	5,328,049.17	342,758.00	4,985,291.17
b. Estimated	678,546.56	1,098,896.85	1,811,701.02	541,028.82	4,130,173.25	218,419.00	3,911,754.25
17. Total All Programs	1,993,440.68	2,871,370.54	3,744,273.20	849,138.00	9,458,222.42	561,177.00	8,897,045.42

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
CONSERVATION PROGRAM COSTS (Exclusive of Program Fees)
For the Period January 2005 Through August 2005, Actual
September 2005 Through December 2005, Estimated

ACTUAL	ESTIMATED													
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	TOTAL ACT	SEP	OCT	NOV	DEC	TOTAL EST
1. Residential Energy Audits	25,041.82	27,491.98	30,538.37	53,114.70	26,993.74	48,098.31	30,825.39	43,702.62	285,806.93	59,265.00	59,265.00	59,265.00	59,265.00	237,060.69
2. Residential Mail In Audit	3,981.55	4,148.83	3,878.08	17,291.54	3,857.35	12,550.50	4,811.72	3,717.05	54,236.62	12,372.00	12,372.00	12,372.00	12,372.00	49,488.38
3. Residential New Home Audit	0.00	0.00	0.00	7,554.38	26,844.64	22,767.66	14,659.38	24,639.26	96,465.32	24,806.00	24,806.00	24,806.00	24,806.00	99,224.72
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
5. Environmental Good Centis 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
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
7. Residential Geothermal Heat Pump	9,638.19	7,793.20	11,794.54	16,322.95	9,341.09	11,875.47	16,874.86	14,239.64	97,879.94	38,809.00	38,809.00	38,809.00	38,809.00	155,236.06
8. GoodCentis Select	436,755.68	554,473.12	484,818.64	542,763.67	490,566.64	460,977.11	461,812.98	524,666.05	3,956,833.89	740,438.00	740,438.00	740,438.00	740,437.17	2,961,751.17
9. Comm/Ind Good Centis Bldg	35,578.50	39,332.14	52,575.18	48,313.76	46,193.40	44,786.44	33,838.38	52,471.30	353,089.10	49,474.00	49,474.00	49,474.00	49,473.90	197,895.90
10. E.A. & T.A.	39,562.51	38,731.02	48,532.58	43,787.12	43,134.99	44,839.41	30,516.97	51,531.82	340,636.42	71,363.00	71,363.00	71,363.00	71,362.58	285,451.58
11. Comm/Ind Mail In Audit	3,029.85	3,074.72	3,420.25	2,282.64	2,383.56	2,365.36	1,860.63	1,883.90	20,300.91	2,032.00	2,032.00	2,032.00	2,033.09	8,129.09
12. Commercial Geothermal Heat Pump	0.00	0.00	0.00	5,876.71	3,659.16	2,697.18	2,668.42	2,668.63	17,570.10	4,500.00	4,500.00	4,500.00	4,499.60	17,999.60
13. Green Pricing	172.12	81.23	94.31	159.52	95.42	87.32	93.62	39.46	823.00	40.00	40.00	40.00	2,073.00	2,193.00
a. Solar for Schools	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. Earth Centis Solar	1,938.07	2,100.90	2,598.71	10,693.18	2,156.08	2,398.12	2,279.48	2,646.06	26,810.60	6,529.00	6,529.00	6,529.00	6,527.40	26,114.40
c. Green Pricing Initiatives	2,381.13	2,744.70	3,157.37	3,282.59	3,159.67	2,938.29	2,231.21	2,940.76	22,835.72	11,346.00	11,346.00	11,346.00	11,346.28	45,384.28
14. Conservation Demonstration and Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,061.00	11,061.00	11,061.00	11,061.38	44,244.38
a. Egin Geothermal	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. Electrode Boiler	0.00	640.87	728.19	0.00	8,571.64	38,928.49	946.33	853.35	50,668.85	0.00	0.00	0.00	4,091.77	50,668.85
c. Sealed, Semi-Conditioned Attic	506.85	640.87	728.20	1,362.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Warner Solar	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
e. Water Furnace	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
f. Other	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
15. Energy Services	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. Total All Programs	558,586.27	681,253.58	642,864.42	752,805.26	666,957.38	695,309.66	603,419.37	726,853.23	5,328,049.17	1,032,035.00	1,032,035.00	1,032,035.00	1,034,068.25	4,130,173.25
17. 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
18. Net Recoverable Expenses	558,586.27	681,253.58	642,864.42	752,805.26	666,957.38	695,309.66	603,419.37	726,853.23	5,328,049.17	1,032,035.00	1,032,035.00	1,032,035.00	1,034,068.25	4,130,173.25

TOTAL ACTUAL & ESTIMATED COSTS

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
ESTIMATED TRUE-UP
For the Period: January 2005 through December 2005

	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL
<u>Conservation Revenues</u>													
1. Good Cents Select Program Revenues	36,986.93 0.00 0.00	38,359.08 0.00 0.00	37,437.46 0.00 0.00	37,044.35 0.00 0.00	40,611.58 0.00 0.00	48,510.13 0.00 0.00	51,504.27 0.00 0.00	52,304.20 0.00 0.00	51,802.00	54,351.00	55,580.00	56,686.00	561,177.00
2. Conservation Revenues	<u>719,921.22</u>	<u>609,446.86</u>	<u>667,813.64</u>	<u>625,518.79</u>	<u>784,480.94</u>	<u>946,628.28</u>	<u>984,929.80</u>	<u>966,259.03</u>	<u>812,565.52</u>	<u>686,157.67</u>	<u>629,846.42</u>	<u>713,387.22</u>	<u>9,146,955.39</u>
3. Total Revenues	756,908.15	647,805.94	705,251.10	662,563.14	825,092.52	995,138.41	1,036,434.07	1,018,563.23	864,367.52	740,508.67	685,426.42	770,073.22	9,708,132.39
4. Adjustment not Applicable to Period - Prior True Up	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.92)</u>	<u>(15,530.88)</u>	<u>(186,371.00)</u>
5. Conservation Revenues Applicable to Period	741,377.23	632,275.02	689,720.18	647,032.22	809,561.60	979,607.49	1,020,903.15	1,003,032.31	848,836.60	724,977.75	669,895.50	754,542.34	9,521,761.39
6. Conservation Expenses (Form C-3 Page 2 of 5)	<u>558,586.27</u>	<u>681,253.58</u>	<u>642,864.42</u>	<u>752,805.26</u>	<u>666,957.38</u>	<u>695,309.66</u>	<u>603,419.37</u>	<u>726,853.23</u>	<u>1,032,035.00</u>	<u>1,032,035.00</u>	<u>1,032,035.00</u>	<u>1,034,068.25</u>	<u>9,458,222.42</u>
7. True Up this Period (Line 5 minus Line 6)	182,790.96	(48,978.56)	46,855.76	(105,773.04)	142,604.22	284,297.83	417,483.78	276,179.08	(183,198.40)	(307,057.25)	(362,139.50)	(279,525.91)	63,538.97
8. Interest Provision this Period (C-3 Page 4 of 5, Line	624.71	842.96	923.43	948.34	1,082.26	1,741.02	2,870.57	4,105.01	4,427.53	3,744.51	2,788.03	1,870.41	25,968.78
9. True Up & Interest Provision Beginning of Month	210,611.90	409,558.49	376,953.81	440,263.92	350,970.14	510,187.54	811,757.31	1,247,642.58	1,543,457.59	1,380,217.64	1,092,435.82	748,615.28	210,611.90
10. Prior True Up Collected or Refunded	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.92</u>	<u>15,530.88</u>	<u>186,371.00</u>
11. End of Period- Net True Up	<u>409,558.49</u>	<u>376,953.81</u>	<u>440,263.92</u>	<u>350,970.14</u>	<u>510,187.54</u>	<u>811,757.31</u>	<u>1,247,642.58</u>	<u>1,543,457.59</u>	<u>1,380,217.64</u>	<u>1,092,435.82</u>	<u>748,615.28</u>	<u>486,490.65</u>	<u>486,490.65</u>

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
INTEREST CALCULATION

For the Period: January 2005 through December 2005

	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL
Interest Provision													
1. Beginning True up Amount	210,611.90	409,558.49	376,953.81	440,263.92	350,970.14	510,187.54	811,757.31	1,247,642.58	1,543,457.59	1,380,217.64	1,092,435.82	748,615.28	
2. Ending True up before Interest	408,933.78	376,110.84	439,340.49	350,021.80	509,105.28	810,016.29	1,244,772.01	1,539,352.58	1,375,790.11	1,088,691.31	745,827.25	484,820.24	
3. Total Beginning & Ending Balances	619,545.68	785,669.33	816,294.31	790,285.73	860,075.43	1,320,203.84	2,056,529.33	2,786,995.17	2,919,247.70	2,469,908.96	1,838,263.07	1,233,235.52	
4. Average True up Amount	309,772.84	392,834.67	408,147.16	395,142.86	430,037.71	660,101.92	1,028,264.67	1,393,497.59	1,459,623.84	1,234,454.47	919,131.53	616,617.75	
5. Interest Rate First Day Reporting Business Month	2.34	2.50	2.65	2.78	2.98	3.06	3.27	3.43	3.64	3.64	3.64	3.64	
6. Interest Rate First Day Subsequent Business Month	2.50	2.65	2.78	2.98	3.06	3.27	3.43	3.64	3.64	3.64	3.64	3.64	
7. Total of Lines 5 and 6	4.84	5.15	5.43	5.76	6.04	6.33	6.70	7.07	7.28	7.28	7.28	7.28	
8. Average Interest rate (50% of Line 7)	2.4200	2.5750	2.7150	2.8800	3.0200	3.1650	3.3500	3.5350	3.6400	3.6400	3.6400	3.6400	
9. Monthly Average Interest Rate Line 8 / 12 months	0.002017	0.002146	0.002263	0.002400	0.002517	0.002638	0.002792	0.002946	0.003033	0.003033	0.003033	0.003033	
10. Interest Provision (line 4 X 9)	624.71	842.96	923.43	948.34	1,082.26	1,741.02	2,870.57	4,105.01	4,427.53	3,744.51	2,788.03	1,870.41	25,968.78

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
GOOD CENTS SELECT
For the Period January 2005 Through December 2005

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		31.36	159,194.88	257,586.00	222,327.43	129,105.35	126,725.75	215,178.35	144,028.21	338,594.09	326,782.67	157,485.62	141,737.06	
2	6,889,733.40	6,889,764.76	7,048,959.64	7,306,545.64	7,528,873.07	7,657,978.42	7,784,704.17	7,999,882.52	8,143,910.73	8,482,504.82	8,809,287.49	8,966,773.11	9,108,510.17	
3		13,090.51	13,241.79	13,637.73	14,093.65	14,427.51	14,670.55	14,995.36	15,336.60	15,795.09	16,427.20	16,887.26	17,171.52	179,774.77
4	6,889,733.40	6,889,764.76	7,048,959.64	7,306,545.64	7,528,873.07	7,657,978.42	7,784,704.17	7,999,882.52	8,143,910.73	8,482,504.82	8,809,287.49	8,966,773.11	9,108,510.17	
5		10,044.00	7,884.89	12,152.16	22,651.42	35,989.79	23,169.75	(4,561.46)	26,984.87					
6	272,602.58	295,737.09	316,863.77	342,653.66	379,398.73	429,816.03	467,656.33	478,090.23	520,411.70	536,206.79	552,633.99	569,521.25	586,692.77	
7	6,617,130.82	6,594,027.67	6,732,095.87	6,963,891.98	7,149,474.34	7,228,162.39	7,317,047.84	7,521,792.29	7,623,499.03	7,946,298.03	8,256,653.50	8,397,251.86	8,521,817.40	
8		113,108.65	(91,022.08)	(22,086.57)	8,212.60	568.90	(8,781.50)	0.00	0.00	0.00	0.00	0.00	0.00	
9	0.00	113,108.65	22,086.57	0.00	8,212.60	8,781.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	7,515,459.76	7,447,860.15	7,372,361.32	7,017,170.81	6,891,207.16	6,830,408.17	6,789,810.91	6,633,206.08	6,562,654.13	6,471,167.00	6,237,924.00	6,012,817.00	5,904,332.00	
11	14,132,590.58	14,154,996.47	14,126,543.76	13,981,062.79	14,048,894.10	14,067,352.06	14,106,858.75	14,154,998.37	14,186,153.16	14,417,465.03	14,494,577.50	14,410,068.86	14,426,149.40	
12		14,143,793.53	14,140,770.12	14,053,803.28	14,014,978.45	14,058,123.08	14,087,105.41	14,130,928.56	14,170,575.77	14,301,809.09	14,456,021.26	14,452,323.18	14,418,109.13	
13		0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	
14		133,432.55	133,404.03	132,583.58	132,217.31	132,624.34	132,897.75	133,311.18	133,685.21	134,923.27	136,378.10	136,343.22	136,020.44	1,607,820.98
15		16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.44	16,980.47	203,765.31
16		163,503.50	163,626.26	163,201.75	163,291.40	164,032.29	164,548.74	165,286.98	166,002.25	167,698.80	169,785.74	170,210.92	170,172.43	1,991,361.06

Notes:
(A) Good Cents Select Property Additions Depreciated at 2.3% per year schedule for revision.
(B) Revenue Requirement Return (includes Income Taxes) is 11.3210

Florida Public Service Commission
Docket No. 050002-EG
GULF POWER COMPANY
Witness: William D. Eggart
Exhibit No. _____
(WDE-2)
Schedule C-3
Page 5 of 6

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
RESIDENTIAL ENERGY SURVEYS - FLOW METER
For the Period January 2005 Through December 2005

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	Investments Added to Plant In Service (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	Depreciable Base	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56		
3	Depreciation Expense (A)		96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	1,156.20	
4	Cumulative Plant in Service Additions	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56		
5	Salvage, Cost of Removal and Retirement	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	Less: Accumulated Depreciation	0.00	96.35	192.70	289.05	385.40	481.75	578.10	674.45	770.80	867.15	963.50	1,059.85	1,156.20	
7	Net Plant In Service	8,093.56	7,997.21	7,900.86	7,804.51	7,708.16	7,611.81	7,515.46	7,419.11	7,322.76	7,226.41	7,130.06	7,033.71	6,937.36	
8	Net Additions/Reductions to CWIP		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	CWIP Balance	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	
10	Inventory	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	
11	Net Investment	8,093.56	7,997.21	7,900.86	7,804.51	7,708.16	7,611.81	7,515.46	7,419.11	7,322.76	7,226.41	7,130.06	7,033.71	6,937.36	
12	Average Net Investment		8,045.39	7,949.04	7,852.69	7,756.34	7,659.99	7,563.64	7,467.29	7,370.94	7,274.59	7,178.24	7,081.89	6,985.54	
13	Rate of Return / 12 (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	
14	Return Requirement on Average Net Investment		75.90	74.99	74.08	73.17	72.26	71.36	70.45	69.54	68.63	67.72	66.81	65.90	850.81
15	Property Tax		6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.06	72.61
16	Total Depreciation, Prop Taxes & Return (Line 3 + 14 + 15)		178.30	177.39	176.48	175.57	174.66	173.76	172.85	171.94	171.03	170.12	169.21	168.31	2,079.62

Notes:
(A) Flow Meter is Seven year Property 1.1905% per month
(B) Revenue Requirement Return (includes Income Taxes) is 11.3210

13

Florida Public Service Commission
Docket No. 050002-EG
GULF POWER COMPANY
Witness: William D. Eggart
Exhibit No. _____ (WDE-2)
Schedule C-3
Page 6 of 6

GULF POWER COMPANY
CALCULATION OF CONSERVATION REVENUES
For the Period: September 2005 Through December 2005

	Month	Projected MWH Sales	Rate (Avg Cents/KWH)	Clause Revenue Net of Revenue Taxes (\$)
1.	09/2005	983,072	0.08265575	812,565.52
2.	10/2005	833,211	0.08235101	686,157.67
3.	11/2005	765,242	0.08230683	629,846.42
4.	12/2005	863,122	0.08265196	713,387.22

Program Description and Progress

Program Title: Residential Energy Survey

Program Description: This program offers existing residential customers, and individuals and contractors building new homes, with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. Owners of existing homes may choose to have a Gulf Power representative conduct an on-site survey of their home, or they may opt to participate in either a mail-in or on-line interactive version of the survey known as the "Energy Check Up." Qualifying new home owners and contractors may request a survey of their final construction plans. Regardless of the options chosen, these surveys provide customers with specific whole-house recommendations.

Program Projections: For the period January 2006 through December 2006, the Company expects to conduct 5,572 surveys and incur expenses totaling \$876,235.

Program Accomplishments: During the first eight months of 2005, 2,614 surveys have been conducted. The total projection for 2005 is 4,352.

Program Fiscal Expenditures: Actual expenses for January through August 2005 were \$436,509 compared to a budget of \$418,831 for the same period. This results in a difference of \$17,678 or 4.2% over budget.

Program Progress Summary: Since the approval of this program, Gulf Power Company has performed 140,441 residential energy surveys. This is a result of Gulf Power's promotional campaign to solicit energy surveys as well as the overall rapport established with its customers as the "energy experts" in Northwest Florida.

Program Description and Progress

Program Title: Residential 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 300 units during the 2006 period and expenses of \$400,626. Gulf Power Company's program includes promotion, rebates, education, training, and estimated heating and cooling savings for new and existing home customers.

Program Accomplishments: During the current recovery period, 53 Geothermal Heat Pump units have been installed thus far. The total projection for 2005 is 85 units. Hurricane activity has impacted customer participation and redirected the Company's field representatives to restoration efforts.

Program Fiscal Expenditures: For the first eight months of the recovery period, expenses were projected to be \$270,468 compared to actual expenses of \$97,880 for a deviation of \$172,588 or 63.8% below budget.

Program Progress Summary: To date, 2,031 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 2006 projection period, Gulf Power plans to have 3,000 installations. The program expenses are projected to be \$2,216,340 in depreciation, return on investment and property taxes; \$1,105,490 payroll; \$4,184,772, materials; and \$275,000, advertising. These expenses will be partially offset by projected program revenues of \$823,081.

Program Accomplishments: A total of 1,249 units have been installed during the first eight months of 2005. It is anticipated that there will be 2,200 systems installed by the end of the year.

Program Fiscal Expenditures: There were projected expenses of \$4,053,418 for the period January through August 2005 with actual expenses of \$3,956,834. This results in a deviation of \$96,584 or 2.4% under budget.

Program Progress Summary: As of August 2005, there are 6,401 participating customers.

Program Description and Progress

Program Title: Commercial/Industrial Energy Analysis

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. Customers may participate by requesting a basic Energy Analysis Audit (EAA) provided through either an on-site survey or a direct mail survey. A more comprehensive analysis can be provided by conducting a Technical Assistance Audit (TAA).

Program Projections: For the period January 2006 through December 2006 the Company expects to conduct 300 audits and incur expenses totaling \$688,329.

Program Accomplishments: During the January through August 2005 period, actual results were 80 audits. The total projection for 2005 is 125. Hurricane activity has impacted customer participation and redirected the Company's field representatives to restoration related efforts.

Program Fiscal Expenditures: Forecasted expenses were \$431,190 for the first eight months of 2005 compared to actual expenses of \$360,937 for a deviation of \$70,253 or 16.3% under budget.

Program Progress Summary: A total of 18,164 audits have been completed since the program's inception.

Program Description and Progress

Program Title: GoodCents Building

Program Description: This program is designed to educate commercial and industrial customers on the most cost-effective methods of designing new buildings 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 2006 recovery period, Gulf expects to certify 155 GoodCents Buildings and incur expenses totaling \$598,314.

Program Accomplishments: Certification of 73 buildings has been achieved during January through August 2005. The annual projection for 2005 is 155 buildings.

Program Fiscal Expenditures: Forecasted expenses for January through August, 2005 were \$365,105 compared to actual expenses of \$353,089 for a deviation of \$12,016 or 3.3% under budget.

Program Progress Summary: A total of 8,640 commercial buildings have qualified for the GoodCents certification since the program was developed in 1977.

Program Description and Progress

Program Title: Commercial Geothermal Heat Pump

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

Program Projections: Gulf estimates the installation of 10 units during the 2006 period and expenses of \$52,041. Gulf Power Company will promote these systems by providing: estimates of heating and cooling operating costs to commercial customers installing geothermal heat pumps in commercial facilities; \$150/ton incentive for commercial, full closed loop projects or \$75/ton for hybrid closed loop projects.

Program Accomplishments: There were no installations projected for 2005, however, two Geothermal Heat Pump units have been installed thus far.

Program Fiscal Expenditures: Although there were no expenses projected for the first eight months of the recovery period, there were actual expenses of \$17,570.

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

Program Description and Progress

Program Title: Energy Services

Program Description: The Energy Services program is designed to establish the capability and process to offer advanced energy services, and energy efficient end-use equipment, that is customized to meet the individual needs of large customers. Potential projects are evaluated on a case by case basis and must be cost effective to qualify for incentives or rebates. Types of projects covered under this program would include demand reduction or efficiency improvement retrofits, such as lighting (fluorescent and incandescent), motor replacements, HVAC retrofit (including geothermal applications), and new electro-technologies.

Program Projections: For the 2006 recovery period, Gulf projects at the meter energy reductions of 1,178,470 kWh, and at the meter demand reductions of 510 kW winter and 275 kW summer. Expenses are expected to total \$84,750.

Program Accomplishments: For the period January through August 2005 at the meter reductions of 115,000 kWh, winter kW of 115 and summer kW of 46 were achieved. Additional reductions are not anticipated as these customers concentrate on recovery efforts resulting from hurricane activity over the last year.

Program Fiscal Expenditures: Forecasted expenses for January through August 2005 were \$60,000 with no expenses incurred during this period.

Program Progress Summary: Total reductions at the meter of 115,000 kWh, 115 kW winter and 46 kW summer reductions have been achieved since this program was initiated.

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:

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, 2005, 65 customers have signed up for 80 100-watt blocks of energy.

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. In 2003, Gulf Power Company implemented a 4 kW PV solar system at Meigs Middle School in Shalimar and a 4 kW PV solar system at West Florida High School of Advanced Technology in Pensacola. Both schools received a data acquisition system whose energy output and other data are relayed to the teachers via the internet.

Gulf Power Company implemented an additional Solar for Schools project during the 2004 calendar year at Bay County High School in Panama City. Similar to the other schools involved in the program, Bay High School received a 4 kW photovoltaic solar array and a data acquisition system. The system has been incorporated into Bay High School's science curriculum, and teachers and students alike are able to view and analyze the data through the internet. Working in tandem with the Florida Solar Energy Center, Gulf Power has helped further promote training and education in science and engineering at Bay High School through the implementation of the solar facility. Moreover, the energy provided from the solar array has been donated to the school in order to reduce their reliance on energy provided from Gulf Power.

Green Energy Pilot: Initial research and investigation into this market has been inconclusive. More time will be needed to research renewable energy sources before additional expenses are warranted to promote a green energy pilot program.

Florida Public Service Commission
Docket No. 050002-EG
GULF POWER COMPANY
Witness: William D. Eggart
Exhibit No. _____ (WDE-2)
Schedule C-5
Page 10 of 12

Program Fiscal Expenditures: There were expenses of \$124,451 projected for the period January through August 2005. Actual expenses for this period are: Solar for Schools, \$823; Green Pricing, \$22,836; and EarthCents Solar, \$26,811.

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:

Eglin Geothermal - This project involves the installation of one geothermal system in a family housing unit at Eglin AFB. The system is monitored at various points to determine actual field efficiency. Monitoring equipment is installed on an identical type unit with a conventional A/C system with a gas furnace. The study will be for a one-year period to gather data in both the cooling and heating operations of the systems. Equipment failure has extended the research for an additional year and a half in order to obtain a full year of data. A report will be prepared once the research has been completed.

Electrode Boiler - This project will measure overall energy performance and verify operation of a new 3.4mW Electrode Boiler and two new 200HP natural gas boilers which produce steam for the Escambia County Jail. The Electrode Boiler is an emerging technology that has the potential, coupled with a time varying rate such as RTP, to produce steam very efficiently. Monitoring is scheduled to be completed in January, 2007 and a report to be issued July, 2007.

Sealed Semi-Conditioned Attic - In 2003, a semi-conditioned attic as well as the living space of a home was conditioned/de-humidified utilizing the enhanced de-humidification capabilities of a closed-loop geothermal heat pump with zone control. The attic was sealed using a vapor barrier and spray foam insulation that is expected to significantly reduce the infiltration of hot humid air into the attic space. This project was monitored in 2004 and a report will be prepared in the last quarter of 2005.

Warner Solar - This project is evaluating the electrical output of a 2.4 kW photovoltaic solar array installed at a small business. This was the first small PV interconnection agreement with Gulf Power. The study should be complete in 2005 and a report will be prepared at its conclusion.

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. A report will be prepared by year-end.

Program Fiscal Expenditures: Program expenses were forecasted at \$88,668 compared to actual expenses of \$54,761 for a deviation of \$33,907 under budget. Expenses are under budget due to less than anticipated project costs. Project expenses were as follows: Eglin Geothermal, \$0; Electrode Boiler, \$50,669; Sealed Semi-Conditioned Attic, \$4,092; Warner Solar, \$0; Water Furnace, \$0.