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April 27, 2006

Ms. Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 060002-EG, Energy Conservation Cost Recovery Clause

Enclosed for official filing are an original and fifteen copies of the final true-up testimony and exhibits for the period January – December 2005 of William D. Eggart in the above referenced docket.

Sincerely,

*Susan D. Ritenour (lwr)*

bh

Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.

DOCUMENT NUMBER-DATE

03794 MAY-18

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery )  
\_\_\_\_\_ )

Docket No. 060002-EG

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 28th day of April 2006 to the following:

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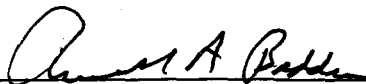
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ENERGY CONSERVATION COST  
RECOVERY CLAUSE

DOCKET NO. 060002-EG

PREPARED DIRECT TESTIMONY AND  
EXHIBIT OF  
WILLIAM D. EGGART

Final True-up  
JANUARY - DECEMBER 2005

May 1, 2006



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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. 060002-EG  
6 May 1, 2006

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

9 A. My name is William D. Eggart 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. Mr. Eggart, please describe your educational background  
14 and business experience.

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

1 Leader in April 2005.

2

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

5 A. I am testifying before this Commission on behalf of Gulf  
6 Power Company regarding matters related to the Energy  
7 Conservation Cost Recovery Clause, specifically the  
8 approved programs and related expenses for  
9 January, 2005, through December, 2005.

10

11 Q. Are you familiar with the documents concerning the  
12 Energy Conservation Cost Recovery Clause and its related  
13 true-up and interest provisions?

14 A. Yes, I am.

15

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

18 A. Yes, I have.

19 Counsel: We ask that Mr. Eggart's exhibit consisting of  
20 6 Schedules, CT-1 through CT-6, be marked for  
21 identification as:

22 Exhibit No. \_\_\_\_ (WDE-1)

23

24 Q. Would you summarize for this Commission the deviations  
25 resulting from the actual expenses for this recovery

1 period and the estimated/actual estimate of expenses  
2 previously filed with this Commission?

3 A. The estimated/actual true-up net expenses for the entire  
4 recovery period January, 2005, through December, 2005,  
5 were \$8,897,045 while the actual costs were \$8,826,754  
6 resulting in a variance of (\$70,291) or 0.8% under the  
7 estimated/actual true-up. See Schedule CT-2, Line 9.

8

9 Q. Mr. Eggart, would you explain the January, 2005, through  
10 December, 2005, variance?

11 A. Yes, the reasons for this variance are less expenses  
12 than estimated in Residential Energy Surveys, under  
13 \$55,172; Residential Geothermal Heat Pump Program, under  
14 \$35,772; Commercial/ Industrial Energy Analysis, under  
15 \$105,818; Commercial Geothermal Heat Pump, under \$6,351;  
16 Green Pricing, under \$40,428; and Conservation  
17 Demonstration and Development, under \$9,789. These  
18 programs are off-set by an increase of expenses in the  
19 GoodCents *Select* program of \$181,371 and \$1,668 in the  
20 GoodCents Buildings program. The resulting net variance  
21 is \$70,291 under the estimated/actual program expenses  
22 reported in September, 2005. Energy Services incurred  
23 no expenses as projected in the September, 2005 filing.  
24 A more detailed description of the deviations is  
25 contained in Schedule CT-6.

1 Q. Mr. Eggart, what was Gulf's adjusted net true-up for the  
2 period January, 2005 through December, 2005?

3 A. There was an over-recovery of \$376,996 as shown on  
4 Schedule CT-1, page 1.

5

6 Q. Would you describe the results of your programs during  
7 the recovery period?

8 A. A more detailed review of each of the programs is  
9 included in my Schedule CT-6. The following is a  
10 synopsis of the accomplishments during this recovery  
11 period.

12 (A) Residential Energy Surveys - During this period,  
13 the Company projected to perform 4,352 surveys.  
14 The Company completed 3,766 surveys.

15 (B) Residential Geothermal Heat Pump - During the 2005  
16 recovery period, a total of 85 geothermal heat pumps  
17 were installed compared to a projection of 85 in the  
18 September, 2005 Projection Filing.

19 (C) GoodCents Select - During this recovery period, a net  
20 total of 1,156 units were installed with a total of  
21 6,878 units on-line at December 31, 2005. Gulf had  
22 projected a net customer addition of 2,200 units for  
23 2005 in the September, 2005 Projection Filing.

24 (D) Commercial/Industrial Energy Analysis - During 2005, a  
25 total of 99 C/I Energy Analyses were completed



1 compared to a projection of 125 in the September, 2005  
2 Projection Filing.

3 (E) GoodCents Buildings - During this recovery period a  
4 total of 120 buildings were built or improved to  
5 GoodCents standards, compared to a projection of 155.

6 (F) Commercial Geothermal Heat Pump - During the 2005  
7 recovery period, there were no geothermal heat pump  
8 installations projected, however three units were  
9 installed.

10 (G) Energy Services - For the 2005 recovery period, at  
11 the meter reductions of 12,916,524 kWh, winter kW  
12 of 1,547 and summer kW of 2,698 were achieved.  
13 The projected results for this period were; at the  
14 meter energy reductions of 115,000 kWh, and at the  
15 meter demand reductions of 115 kW winter and 46 kW  
16 summer.

17 (H) Green Pricing - Costs associated with the Green  
18 Pricing program are provided in Schedule CT-3.  
19 Further description of these activities can be  
20 found in Schedule CT-6.

21 (I) Conservation Demonstration and Development - Costs  
22 associated with the Conservation Demonstration and  
23 Development program are provided in Schedule CT-3.  
24 Further description of these activities can be found  
25 in Schedule CT-6.



1

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


3 A. Yes, it does.

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA   )

Docket No. 060002-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  
Economic Evaluation and Market  
Reporting Team Leader

Sworn to and subscribed before me this 25<sup>th</sup> day of April, 2006.



  
\_\_\_\_\_  
Notary Public, State of Florida at Large

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Schedule Number	Title	Pages
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**GULF POWER COMPANY  
ENERGY CONSERVATION COST RECOVERY  
ADJUSTED NET TRUE-UP**  
For the Period: January, 2005 Through December, 2005

	\$	\$
Actual		
1. Principal	830,184	
2. Interest	33,303	
3. Actual Over/(Under) Recovery Ending Balance		863,487
Estimated/Actual as filed September 27, 2005		
4. Principal	460,522	
5. Interest	25,969	
6. Total Estimated/Actual Over/(Under) Recovery		486,491
7. Adjusted Net True-up Over/(Under) Recovery (Line 3 - 6)		376,996

GULF POWER COMPANY

CONSERVATION COSTS BY PROGRAM  
ACTUAL EXPENSES  
For the Period: January, 2005 Through December, 2005

Program	Depreciation Property Taxes & Return on Equity	Payroll & Benefits	Materials & Expenses	Advertising	Other	Sub-Total	Program Revenues	Total
1. Residential Energy Audits	2,079.61	284,697.32	57,993.92	132,237.97	0.00	477,008.82	0.00	477,008.82
2. Residential Mail In Audits	0.00	26,437.82	4,915.92	71,513.51	0.00	102,867.25	0.00	102,867.25
3. Residential New Home Audits	0.00	171,106.83	16,352.48	(224.72)	0.00	187,234.59	0.00	187,234.59
4. In Concert with the Environment	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
6. Duct Leakage Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7. Residential Geothermal Heat Pump	0.00	89,306.02	23,754.18	104,284.18	0.00	217,344.38	0.00	217,344.38
8. Good Cents <i>Select</i>	1,964,808.90	1,124,252.31	3,608,778.71	377,367.52	0.00	7,075,207.44	536,428.53	6,538,778.91
9. Comm/Ind Good Cents Building	0.00	493,516.98	57,540.80	1,595.00	0.00	552,652.78	0.00	552,652.78
10. Comm/Ind E.A. & T.A.A.	0.00	460,591.67	58,639.13	0.00	0.00	519,230.80	0.00	519,230.80
11. Commercial/Industrial Mail In Audits	0.00	28,824.44	645.29	0.00	0.00	29,469.73	0.00	29,469.73
12. Commercial Geothermal Heat Pump	0.00	27,103.99	2,114.40	0.00	0.00	29,218.39	0.00	29,218.39
13. Green Pricing								
a. Good Cents Environmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Solar for Schools	0.00	555.81	563.48	0.00	0.00	1,119.29	0.00	1,119.29
c. Earth Cents	0.00	17,715.63	6,034.84	22,187.83	0.00	45,938.30	0.00	45,938.30
d. Green Pricing	0.00	35,229.57	1,445.50	0.00	0.00	36,675.07	0.00	36,675.07
Total	0.00	53,501.01	8,043.82	22,187.83	0.00	83,732.66	0.00	83,732.66
14. Research & Development								
a. Eglin Geothermal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Electrode Boiler	0.00	13,721.37	70,886.77	0.00	0.00	84,608.14	0.00	84,608.14
c. Sealed, SemiConditioned Attic	0.00	4,325.57	281.91	0.00	0.00	4,607.48	0.00	4,607.48
d. Warner Solar	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
f. Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	18,046.94	71,168.68	0.00	0.00	89,215.62	0.00	89,215.62
15. Energy Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16. Total	1,966,888.51	2,777,385.33	3,909,947.33	708,961.29	0.00	9,363,182.46	536,428.53	8,826,753.93

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GULF POWER COMPANY

CONSERVATION COSTS BY PROGRAM  
SUMMARY OF ACTUAL EXPENSES BY PROGRAM BY MONTH  
For the Period: January, 2005 Through December, 2005

PROGRAMS	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. Residential Energy Audits	24,863.52	27,314.59	30,361.89	52,939.13	26,819.08	47,924.55	30,852.54	43,530.68	61,213.35	56,055.94	41,549.16	31,704.78	474,929.21
Amortization & Return on Investment	178.30	177.39	176.48	175.57	174.66	173.76	172.85	171.94	171.03	170.12	169.21	168.30	2,079.61
Total	25,041.82	27,491.98	30,538.37	53,114.70	26,993.74	48,098.31	30,825.39	43,702.62	61,384.38	56,226.06	41,718.37	31,873.08	477,008.82
2. Residential New Home Audits	0.00	0.00	0.00	7,554.38	26,844.64	22,767.66	14,659.38	24,639.26	16,658.77	20,218.19	30,414.55	23,477.76	187,234.59
3. Residential Mail In Audits	3,981.55	4,148.83	3,878.08	17,291.54	3,857.35	12,550.50	4,811.72	3,717.05	20,098.37	13,859.61	10,354.94	4,317.71	102,867.25
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
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
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
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	21,784.04	14,989.18	17,420.64	65,270.58	217,344.38
8. Good Cents Select	273,252.18	390,846.86	321,616.89	379,472.27	326,534.35	296,428.37	296,526.00	358,663.80	508,318.17	437,982.42	407,943.13	1,112,814.10	5,110,398.54
Amortization & Return on Investment	163,503.50	163,626.26	163,201.75	163,291.40	164,032.28	164,548.74	165,286.98	166,002.25	163,860.61	162,352.93	163,759.85	161,342.35	1,964,808.90
Total	436,755.68	554,473.12	484,818.64	542,763.67	490,566.63	460,977.11	461,812.98	524,666.05	672,178.78	600,335.35	571,702.98	1,274,156.45	7,075,207.44
9. Comm/Ind Good Cents 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	43,569.05	50,357.69	47,869.21	57,767.73	552,652.78
10. Comm/Ind E.A. & T.A.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	37,194.03	46,614.18	44,796.41	49,989.76	519,230.80
11. Commercial Mail In Audits	3,029.85	3,074.72	3,420.25	2,282.64	2,383.56	2,365.36	1,860.63	1,883.90	1,750.63	2,489.79	2,251.69	2,676.71	29,469.73
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	2,493.21	3,024.09	3,007.84	3,123.15	29,218.39
13. Green Pricing													
a. Solar for Schools	172.12	81.23	94.31	159.52	95.42	87.32	93.62	39.46	66.24	51.97	82.21	95.87	1,119.29
b. Earth Cents 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	11,752.42	2,951.13	1,271.43	3,152.72	45,938.30
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	3,203.81	3,515.55	3,392.45	3,727.54	36,675.07
d. Total	4,491.32	4,926.83	5,850.39	14,135.29	5,411.17	5,423.73	4,604.31	5,626.28	15,022.47	6,518.65	4,746.09	6,976.13	83,732.66
14. Research & Development													
a. Eglin 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
b. Electrode Boiler	0.00	0.00	0.00	0.00	8,571.64	38,928.49	946.33	1,706.68	1,363.78	3,240.45	28,088.05	1,762.72	84,608.14
c. Sealed SemiConditioned Attic	506.85	1,281.74	1,456.39	1,362.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,607.48
d. Warmer 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
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
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
g. Total	506.85	1,281.74	1,456.39	1,362.50	8,571.64	38,928.49	946.33	1,706.68	1,363.78	3,240.45	28,088.05	1,762.72	89,215.62
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
16. Recoverable Conservation Expenses	558,586.27	681,253.58	642,864.42	752,805.26	666,957.37	695,309.66	603,419.37	726,853.23	893,497.51	817,873.24	802,370.77	1,521,391.78	9,363,182.46

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GULF POWER COMPANY

ENERGY CONSERVATION ADJUSTMENT  
 CALCULATION OF OVER/UNDER RECOVERY  
 For the Period: January, 2005 through December, 2005

Conservation Revenues	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. Good Cents Select RSVP Fees	36,986.93	38,359.08	37,437.46	37,044.35	40,611.58	48,510.13	51,504.27	52,304.20	54,897.66	51,441.16	44,527.15	42,804.56	536,428.53
2. Conservation Adjustment Revenues	719,921.22	609,446.86	667,813.64	625,518.79	784,480.94	946,628.28	984,929.80	966,259.03	960,821.07	735,056.32	674,639.71	770,809.53	9,446,325.19
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	1,015,718.73	786,497.48	719,166.86	813,614.09	9,982,753.72
4. Adjustment not Applicable to Period - Prior True Up	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.92)	(15,530.88)	(186,371.00)
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	1,000,187.81	770,966.56	703,635.94	798,083.21	9,796,382.72
6. Conservation Expenses (CT-3, Page 3, Line 12)	558,586.27	681,253.58	642,864.42	752,805.26	666,957.38	695,309.66	603,419.37	726,853.23	893,497.51	817,873.24	802,370.77	1,521,391.78	9,363,182.47
7. True Up this Period (Line 5 - 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	106,690.30	(46,906.68)	(98,734.83)	(723,308.57)	433,200.25
8. Interest Provision this Period (CT-3, Page 5, Line 10)	624.71	842.96	923.43	948.34	1,082.26	1,741.02	2,870.57	4,105.01	4,967.48	5,392.41	5,503.84	4,301.36	33,303.39
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	1,670,646.29	1,644,662.94	1,566,962.87	210,611.90
10. Prior True Up Collected or Refunded	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.92	15,530.88	186,371.00
11. End of Period- Net True Up	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	1,670,646.29	1,644,662.94	1,566,962.87	863,486.54	863,486.54

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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 Accomplishments: It was anticipated in the September 27, 2005 Projection Filing of Docket No. 050002-EG that the total systems installed for the year would be approximately 2,200 rather than the original goal of 3,000. However, damage from Hurricane Dennis caused more units to be temporarily removed from service than expected. In addition, restoration efforts resulting from Hurricane Ivan have progressed at a slower than anticipated rate. As a result, an annual net total of 1,156 units were installed.

Program Fiscal Expenditures: This program projected net expenses of \$6,357,408 in Docket No. 050002-EG for 2005 with actual expenses of \$6,538,779. The program is over the projection by \$181,371 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 December, 2005, there are 6,878 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 Accomplishments: For the period ending December, 2005, the goal of 300 surveys was re-projected to 125 in the September 27, 2005 Projection Filing of Docket No. 050002-EG. There were 99 surveys completed.

Program Fiscal Expenditures: Forecasted expenses for the period were originally \$668,518 and revised to \$654,518 in Docket No. 050002-EG. Actual expenses were \$548,700 resulting in a deviation of \$105,818 under projection due to fewer requests for audits and surveys than projected.

Program Progress Summary: A total of 18,183 E.A./T.A.A.'s have been completed since the program started in 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: GoodCents Buildings

Program Description: This program is designed to educate commercial and industrial 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 Accomplishments: The goal during the current period was 155 installations compared to actual installations of 120.

Program Fiscal Expenditures: Forecasted expenses for the period were originally \$564,985 and revised to \$550,985 in Docket No. 050002-EG. Actual expenses were \$552,653 resulting in a deviation of \$1,668 over the projection.

Program Progress Summary: A total of 8,687 commercial/industrial buildings have qualified for the GoodCents designation 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 Accomplishments: There were no additional installations projected for 2005 beyond the two installed units reported in the September 27, 2005 Projection Filing of Docket No. 050002-EG. However, a total of three Geothermal Heat Pump units had been installed by year end.

Program Fiscal Expenditures: There was \$35,569 in expenses projected in Docket No. 050002-EG for the recovery period compared to actual expenses of \$29,218 resulting in a deviation of \$6,351 under the projection.

Program Progress Summary: To date, three 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 Accomplishments: For the 2005 recovery period, at the meter reductions of 12,916,524 kWh, winter kW of 1,547 and summer kW of 2,698 were achieved. The projected results for this period were; at the meter energy reductions of 115,000 kWh, and at the meter demand reductions of 115 kW winter and 46 kW summer. The large demand and energy reductions accomplished during this period can be attributed primarily to a chiller change-out and a motor retro-fit by two of our large industrial customers.

Program Fiscal Expenditures: There were no expenses projected for Energy Services in Docket No. 050002-EG and none reported for the 2005 recovery period. These projects and their costs were undertaken by the customers primarily due to Gulf Power's continued presence in the marketplace and the apparent economic benefit of these changes.

Program Progress Summary: Total reductions at the meter of 12,916,524 kWh, winter kW of 1,547 and summer kW of 2,698 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 December, 2005, 70 customers have signed up for 89 100-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.



Program Fiscal Expenditures: For 2005, expenses of \$199,161 were originally forecast but revised in Docket No. 050002-EG to \$124,161. Actual expenses for this period total \$83,733 resulting in a deviation of \$40,428 under projection. Expenses by program are as follows: Solar for Schools, \$1,119; Green Pricing, \$36,675; and EarthCents Solar, \$45,939.

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 involved the installation of one geothermal system in a family housing unit at Eglin AFB. The system was monitored at various points to determine actual field efficiency. Monitoring equipment was installed on an identical type unit with a conventional A/C system with a gas furnace. The study was planned for a one-year period to gather data in both the cooling and heating operations of the systems. Equipment failure, however, extended the research for an additional year and a half in order to obtain a full year of data. A report was prepared and submitted in December, 2005.

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 has been delayed due to equipment problems and will begin after negotiations with the County regarding assumption of maintenance responsibilities have been completed.

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 was expected to significantly reduce the infiltration of hot humid air into the attic space. This project was monitored in 2004 and a final report was prepared and submitted in December, 2005.

Warner Solar - This project evaluated 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 final report was prepared and submitted in December, 2005.

Water Furnace - This research project was designed to study the experimental refrigerant R410A. A comparative study was done between this new refrigerant and present refrigerants that are to be phased out of production due to EPA mandates. A final report was prepared and submitted in December, 2005.

Program Fiscal Expenditures: Program expenses were originally forecast at \$174,005 and revised in Docket No. 050002-EG to \$99,005. Actual expenses were \$89,216 resulting in a deviation of \$9,789 under projection. Project expenses were as follows: Eglin Geothermal, \$0; Electrode Boiler, \$84,608; Sealed Semi-Conditioned Attic, \$4,608; Warner Solar, \$0; Water Furnace, \$0.