

VOTE SHEET

May 8, 2007

Docket No. 070119-EG – Petition for approval of modifications to certain demand-side management programs by Gulf Power Company.

Issue 1: Should the Commission approve Gulf Power's petition to modify its Residential and Commercial Geothermal Heat Pump programs, which includes a request to recover reasonable and prudent costs for these programs through the energy conservation cost recovery (ECCR) clause?

Recommendation: Yes. However, because in some cases participants may have to wait as long as 19 years to realize a savings on their investment, the payback period must be disclosed to potential participants so they can make an informed decision. The proposed modifications pass all of the cost-effectiveness tests with the exception of the Rate Impact Measure (RIM) test under one assumption. Assuming a GHP displaces an air source heat pump results in a RIM value of less than one, and therefore, would not be considered cost effective to Gulf's general body of ratepayers. However, the RIM test is passed when it is assumed that a GHP displaces natural gas heating. Ultimately, participation in a program is the customer's choice; however, Gulf should not use the GHP program solely to displace end-use natural gas appliances. Gulf should be allowed to recover all reasonable and prudent costs through the ECCR clause for implementing these programs.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of commissioners in the majority column, including names like Katrina J. McMurrian and Jan Ed.

Empty lines in the dissenting column for signatures.

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

03846 MAY-8 5

Vote Sheet

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Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the program modifications should become effective June 22, 2007. If a protest is filed within 21 days of the issuance of the proposed agency action order, any modifications should not be implemented until after the resolution of the protest. If no timely protest is filed, the docket should be closed upon the issuance of a consummating order.

APPROVED