

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**ENERGY CONSERVATION COST  
RECOVERY CLAUSE**

**DOCKET NO. 070002-EG**

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

**Projection  
JANUARY - DECEMBER 2008**

**Estimated/Actual True-up  
JANUARY - DECEMBER 2007**

**September 14, 2007**



DOCUMENT NUMBER-DATE  
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GULF POWER COMPANY

Before the Florida Public Service Commission  
Prepared Direct Testimony and Exhibit of  
William D. Eggart  
Docket No. 070002-EG  
Energy Conservation Cost Recovery Clause  
September 14, 2007

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

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

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

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

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1 2005.

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

6 A. Yes.

7

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

10 A. I am testifying before this Commission on behalf of  
11 Gulf Power regarding matters related to the Energy  
12 Conservation Cost Recovery Clause and to answer any  
13 questions concerning the accounting treatment of  
14 recoverable conservation costs in this filing.  
15 Specifically, I will address projections for approved  
16 programs during the January 2008 through December 2008  
17 recovery period and the anticipated results of those  
18 programs during the current recovery period, January  
19 2007 through December 2007 (7 months actual, 5 months  
20 estimated).

21

22 Q. Have you prepared an exhibit that contains information  
23 to which you will refer in your testimony?

24 A. Yes. My exhibit consists of 5 schedules, each of which  
25 was prepared under my direction, supervision, or

1 review.

2 Counsel: We ask that Mr. Eggart's exhibit  
3 consisting of 5 Schedules be marked for  
4 identification as: Exhibit No. \_\_\_\_ (WDE-2).

5

6 Q. Would you summarize for this Commission the deviations  
7 resulting from the actual costs for January through  
8 July of the current recovery period?

9 A. Projected expenses for the first seven months of the  
10 current period were \$5,765,002 compared to actual  
11 expenses of \$5,015,758 for a difference of \$749,244 or  
12 13.0% under budget. A detailed summary of all program  
13 expenses is contained in my Schedule C-3, pages 1 and 2  
14 and my Schedule C-5, pages 1 through 10.

15

16 Q. Have you provided a description of the program results  
17 achieved during the period, January 2007 through July  
18 2007?

19 A. Yes. A detailed summary of year-to-date results for  
20 each program is contained in my Schedule C-5, pages 1  
21 through 10.

22

23 Q. Would you summarize the conservation program cost  
24 projections for the January 2008 through December 2008  
25 recovery period?

1 A. Program costs for the projection period are estimated  
2 to be \$10,970,613. These costs are broken down as  
3 follows: depreciation, return on investment and  
4 property taxes, \$2,025,229; payroll/benefits,  
5 \$3,853,218; materials/expenses, \$5,550,924; and  
6 advertising, \$502,148; all of which are partially  
7 offset by program revenues of \$960,906. More detail is  
8 contained in my Schedule C-2.

9

10 Q. Would you describe the expected results for your on-  
11 going programs during the January 2008 through December  
12 2008 recovery period?

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

14 (1) Residential Energy Surveys - During the recovery  
15 period, 6,261 surveys are projected to be  
16 completed. The objective of this program is to  
17 provide Gulf Power's existing residential  
18 customers, and individuals building new homes,  
19 with energy conservation advice that encourages  
20 the implementation of efficiency measures. These  
21 measures result in energy savings for the customer  
22 as well as energy and peak demand reductions on  
23 Gulf's system.

24 (2) Residential Geothermal Heat Pump - The objective  
25 of this program is to reduce the demand and energy

1 requirements of new and existing residential  
2 customers through the promotion and installation  
3 of advanced and emerging geothermal systems.  
4 During the upcoming projection period, 300  
5 customers are expected to participate in the  
6 program.

7 (3) GoodCents Select - This program is designed to  
8 provide the customer with a means of conveniently and  
9 automatically controlling and monitoring energy  
10 purchases in response to prices that vary during the  
11 day and by season in relation to Gulf's cost of  
12 producing or purchasing energy. The GoodCents Select  
13 system includes field units utilizing a communication  
14 gateway, major appliance load control relays, and a  
15 programmable thermostat (Superstat), all operating at  
16 the customer's home. The Company projects 3,000  
17 installations in 2008.

18 (4) Commercial/Industrial (C/I) Energy Analysis -  
19 This is an interactive program that provides  
20 commercial and industrial customers assistance in  
21 identifying energy conservation opportunities.  
22 The program is a prime tool for the Gulf Power  
23 Company C/I Energy Specialists to personally  
24 introduce customers to conservation measures,  
25 including low or no-cost improvements or new

1 electro-technologies to replace old or inefficient  
2 equipment. Further, this program facilitates the  
3 load factor improvement process necessary to  
4 increase performance for both the customer and the  
5 Company. Gulf Power projects 300 participants in  
6 2008.

7 (5) GoodCents Commercial Buildings - The GoodCents  
8 Building program objective is to reduce peak  
9 electrical demand and annual energy consumption in  
10 commercial/industrial buildings. This program  
11 provides guidelines and assistance to ensure that  
12 buildings are constructed with energy efficiency  
13 levels above the Florida Energy Efficiency Code  
14 for Building Construction. For the projection  
15 period, 180 buildings are expected to meet program  
16 standards.

17 (6) Commercial Geothermal Heat Pump - The objective of  
18 this program is to reduce the demand and energy  
19 requirements of new and existing commercial/  
20 industrial customers through the promotion and  
21 installation of advanced and emerging geothermal  
22 systems. During the upcoming projection period,  
23 20 customers are expected to participate in the  
24 program.

25 (7) Energy Services - The Energy Services program is

1 designed to establish the capability and process  
2 to offer advanced energy services and energy  
3 efficient end-use equipment that is customized to  
4 meet the individual needs of large customers.  
5 Potential projects are evaluated on a case-by-case  
6 basis and must be cost effective to qualify for  
7 incentives or rebates. Types of projects covered  
8 under this program would include demand reduction  
9 or efficiency improvement retrofits, such as  
10 lighting (fluorescent and incandescent), motor  
11 replacements, HVAC retrofit (including geothermal  
12 applications), and new electro-technologies. For  
13 2008, Gulf projects at the meter energy reductions  
14 of 1,178,470 kWh, and at the meter demand  
15 reductions of 510 kW winter and 275 kW summer.

16 (8) Renewable Energy - Costs associated with the  
17 Renewable Energy program are provided in Schedule  
18 C-2. Further description of these activities can  
19 be found in Schedule C-5.

20 (9) Conservation Demonstration and Development -  
21 Costs associated with the Conservation  
22 Demonstration and Development program are provided  
23 in Schedule C-2. Further description of these  
24 activities can be found in Schedule C-5.

25

1 Q. Mr. Eggart, have there been any developments in any  
2 existing program that will have a significant effect on  
3 the amount being requested for recovery in 2007 or 2008?

4 A. Yes. Additional expenses are projected in 2008  
5 primarily due to salary escalation and additional  
6 incentives for the Residential and Commercial  
7 Geothermal Heat Pump Programs, as approved in FPSC  
8 Order No. PSC-07-0455-PAA-EG dated May 29, 2007, and  
9 the Energy Services Program. In addition, there are  
10 increased expenses anticipated in 2008 for the  
11 Renewable Energy Program.

12

13 Q. How does the proposed 2008 Energy Conservation Cost  
14 Recovery factor for Rate Schedule RS compare with the  
15 factor applicable to December 2007 and how would the  
16 change affect the cost of 1,000 kWh on Gulf Power's  
17 residential rate RS?

18 A. The current Energy Conservation Cost Recovery factor  
19 for Rate Schedule RS applicable through December 2007  
20 is 0.088¢/kWh compared with the proposed factor of  
21 0.097¢/kWh. For a residential customer who uses 1,000  
22 kWh in January 2008 the conservation portion of the  
23 bill would increase from \$0.88 to \$0.97.

24

25

1 Q. When does Gulf propose to collect these Energy  
2 Conservation Cost Recovery charges?

3 A. The factors will be effective beginning with the first  
4 bill group for January 2008 and continue through the  
5 last bill group for December 2008.

6

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

8 A. Yes, it does.

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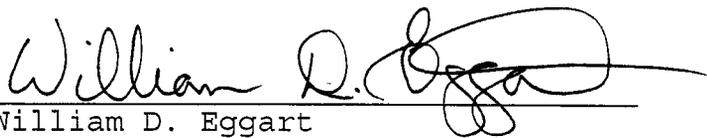
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AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 070002-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 Florida 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 13<sup>th</sup> day of September, 2007.



  
\_\_\_\_\_  
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 2008 - December 2008	4-7
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C-5	Program Descriptions and Progress Reports	15-24

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

For the Period: January, 2008 Through December, 2008

	\$
1. Net Program Costs: Projected for 2008 (Schedule C-2 Page 1 of 4, Line 12)	10,970,613
2. True Up: Estimated 2007 (Jan-Jul Actual; Aug-Dec Est.) (Schedule C-3, Page 3 of 6)	(256,207)
3. Total (Line 1 + Line 2)	10,714,406
4. Cost Subject to Revenue Taxes	10,714,406
5. Revenue Tax	1,00072
6. Total Recoverable Cost	10,722,120

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 FPSC Order No. PSC-93-1845-FOF-EG.

7. Total Cost	10,722,120
8. Energy Related Costs	7,356,257
9. Demand Related Costs (total)	3,365,863
10. Demand Costs Allocated on 12 CP	3,106,950
11. Demand Costs Allocated on 1/13 th	258,913

	Energy \$	Demand \$ Half of GCS	Total	Energy	Demand	Total Recoverable Costs Including Revenue Taxes
	\$	\$	\$	\$	\$	\$
12. Est/Actual 2007	7,116,726	3,861,230	10,977,956	(166,219)	(90,173)	(256,392)
13. Percentage	64.83%	35.17%	100.00%			
14. Projected 2008	7,517,282	3,453,331	10,970,613	7,522,476	3,456,036	10,978,512
15. Percentage	68.52%	31.48%	100.00%			
16. Total				7,356,257	3,365,863	10,722,120

GULF POWER COMPANY  
ENERGY CONSERVATION COST RECOVERY FACTORS  
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS  
For the Period: January, 2008 Through December, 2008

	A	B	C	D	E	F	G	H	I
<u>Rate Class</u>	<u>Average 12 CP Load Factor at Meter</u>	<u>Jan - Dec 2008 Projected KWH Sales at Meter</u>	<u>Projected Avg 12 CP KW at Meter</u>	<u>Demand Loss Expansion Factor</u>	<u>Energy Loss Expansion Factor</u>	<u>Jan - Dec 2008 Projected KWH Sales at Generation</u>	<u>Projected Avg 12 CP KW at Generation</u>	<u>Percentage of KWH Sales at Generation</u>	<u>Percentage of 12 CP KW Demand at Generation</u>
RS, RSVP	58.020395%	5,632,024,000	1,108,101.93	1.00486476	1.00530097	5,661,879,190	1,113,492.58	48.40517%	57.53202%
GS	63.781436%	314,778,000	56,338.59	1.00485887	1.00529775	316,445,615	56,612.33	2.70539%	2.92505%
GSD, GSDT, GSTOU	75.860452%	2,615,948,000	393,649.38	1.00470565	1.00516604	2,629,462,092	395,501.76	22.48009%	20.43481%
LP, LPT	86.886296%	1,945,899,000	255,661.25	0.98422595	0.98911989	1,924,727,405	251,628.44	16.45509%	13.00115%
PX, PXT, RTP, SBS	104.683592%	1,044,432,000	113,893.11	0.97443817	0.98057253	1,024,141,329	110,981.79	8.75570%	5.73421%
OS - I/II	321.885641%	111,185,000	3,943.12	1.00468934	1.00529485	111,773,708	3,961.61	0.95559%	0.20469%
OS-III	99.718369%	28,271,000	3,236.40	1.00511513	1.00526827	28,419,939	3,252.95	0.24297%	0.16807%
<b>TOTAL</b>		<u>11,692,537,000</u>	<u>1,934,823.78</u>			<u>11,696,849,278</u>	<u>1,935,431.46</u>	<u>100.00000%</u>	<u>100.00000%</u>

**Notes:**

Col A = Average 12 CP load factor based on actual 2006 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 the Period: January, 2008 Through December, 2008

<u>Rate Class</u>	A <u>Jan - Dec 2008 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 2008 Projected KWH Sales at Meter</u>	H <u>Conservation Recovery Factor cents per KWH</u>
RS, RSVP	48.40517%	57.53202%	\$1,787,491	\$125,327	\$3,560,809	\$5,473,627	5,632,024,000	0.097
GS	2.70539%	2.92505%	90,880	7,005	199,015	296,900	314,778,000	0.094
GSD, GSDT, GSTOU	22.48009%	20.43481%	634,899	58,204	1,653,693	2,346,796	2,615,948,000	0.090
LP, LPT	16.45509%	13.00115%	403,939	42,604	1,210,479	1,657,022	1,945,899,000	0.085
PX, PXT, RTP, SBS	8.75570%	5.73421%	178,159	22,670	644,092	844,921	1,044,432,000	0.081
OS - I / II	0.95559%	0.20469%	6,360	2,474	70,296	79,130	111,185,000	0.071
OS-III	0.24297%	0.16807%	5,222	629	17,873	23,724	28,271,000	0.084
<b>TOTAL</b>	<b>100.00000%</b>	<b>100.00000%</b>	<b>\$3,106,950</b>	<b>\$258,913</b>	<b>\$7,356,257</b>	<b>\$10,722,120</b>	<b>11,692,537,000</b>	

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 2008 through December 2008
- H Col F / G

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
PROJECTED CONSERVATION PROGRAM NET COSTS  
For the Period January, 2008 Through December, 2008

Programs	Depreciation, Return & Property Taxes	Payroll & Benefits	Materials Vehicles & Expenses	Other	Advertising	Incentives	Total Costs	Program Fees	Net Costs
1. Residential Energy Surveys	1,682	787,610	99,120	0	203,451	0	1,091,863	0	1,091,863
2. Residential Geothermal Heat Pump	0	114,638	432,337	0	2,500	0	549,475	0	549,475
3. GoodCents Select	2,023,547	1,381,786	4,187,235	0	275,000	0	7,867,568	960,906	6,906,662
4. Commercial / Industrial Energy Analysis	0	541,407	146,989	0	4,072	0	692,468	0	692,468
5. GoodCents Commercial Buildings	0	646,701	68,433	0	17,125	0	732,259	0	732,259
6. Commercial Geothermal Heat Pump	0	62,456	91,000	0	0	0	153,456	0	153,456
7. Energy Services	0	0	255,000	0	0	0	255,000	0	255,000
8. Renewable Energy									
a. Solar for Schools	0	2,823	656	0	0	0	3,479	0	3,479
b. EarthCents Solar	0	11,589	10,651	0	0	0	22,240	0	22,240
c. Renewable Energy Initiatives	0	224,878	115,324	0	0	0	340,202	0	340,202
9. Conservation Demonstration and Development	0	79,330	144,179	0	0	0	223,509	0	223,509
10. Total All Programs	2,025,229	3,853,218	5,550,924	0	502,148	0	11,931,519	960,906	10,970,613
11. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
12. Net Program Costs	2,025,229	3,853,218	5,550,924	0	502,148	0	11,931,519	960,906	10,970,613

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GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
PROJECTED CONSERVATION PROGRAM COSTS (NET OF PROGRAM FEES)  
For the Period January, 2008 Through December, 2008

Programs	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 MONTH TOTAL	DEMAND COSTS	ENERGY COSTS
1. Residential Energy Surveys	65,689	94,400	67,914	115,813	72,128	117,999	126,166	100,901	68,191	115,930	76,643	70,089	1,091,863	0	1,091,863
2. Residential Geothermal Heat Pump	18,889	24,020	22,871	24,669	27,164	55,033	57,572	63,506	61,865	63,658	63,872	66,356	549,475	0	549,475
3. GoodCents Select	542,793	588,640	546,711	547,285	581,953	542,245	582,570	626,032	577,879	588,032	590,658	591,864	6,906,662	3,453,331	3,453,331
4. Commercial / Industrial Energy Analysis	50,354	70,025	53,579	52,248	58,314	53,198	55,357	74,334	52,450	54,131	65,080	53,398	692,468	0	692,468
5. GoodCents Commercial Buildings	54,295	78,291	56,253	56,473	56,537	56,889	58,681	81,888	57,296	59,699	58,397	57,560	732,259	0	732,259
6. Commercial Geothermal Heat Pump	11,986	14,313	12,176	12,176	12,176	12,176	12,176	14,597	12,176	13,176	13,176	13,152	153,456	0	153,456
7. Energy Services	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	255,000	0	255,000
8. Renewable Energy															
a. Solar for Schools	265	371	274	274	274	274	274	384	274	274	274	267	3,479	0	3,479
b. EarthCents Solar	1,697	2,139	1,752	1,762	1,772	1,782	1,792	2,251	1,812	1,822	1,822	1,837	22,240	0	22,240
c. Renewable Energy Initiatives	18,568	28,317	21,999	23,374	24,749	26,124	27,499	37,588	30,249	31,624	34,374	35,737	340,202	0	340,202
9. Conservation Demonstration and Development	9,939	14,836	14,090	14,876	16,216	17,619	18,472	21,467	20,090	20,620	23,256	32,028	223,509	0	223,509
10. Total All Programs	795,725	936,602	818,869	870,200	872,533	904,589	961,809	1,044,198	903,532	970,216	948,802	943,538	10,970,613	3,453,331	7,517,282
11. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Recoverable Conservation Expenses	795,725	936,602	818,869	870,200	872,533	904,589	961,809	1,044,198	903,532	970,216	948,802	943,538	10,970,613	3,453,331	7,517,282

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES  
Residential Energy Surveys - Flow Meter  
For the Period January, 2008 Through December, 2008

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	3,469	3,565	3,661	3,757	3,853	3,949	4,045	4,141	4,237	4,333	4,429	4,525	4,621	
6.	Net Plant in Service (Line 4 - 5)	4,625	4,529	4,433	4,337	4,241	4,145	4,049	3,953	3,857	3,761	3,665	3,569	3,473	
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)	4,625	4,529	4,433	4,337	4,241	4,145	4,049	3,953	3,857	3,761	3,665	3,569	3,473	
11.	Average Net Investment		4,577	4,481	4,385	4,289	4,193	4,097	4,001	3,905	3,809	3,713	3,617	3,521	
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		43	42	41	40	40	39	38	37	36	35	34	33	458
14.	Property Taxes		6	6	6	6	6	6	6	6	6	6	6	6	72
15.	Total Depreciation, Return and Property Taxes (Line 3+13+14)		145	144	143	142	142	141	140	139	138	137	136	135	1,682

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, 2008 Through December, 2008

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)		146,872	190,251	212,648	212,648	258,853	293,384	242,145	324,066	280,823	237,281	213,776	161,256	
2.	Depreciation Base	10,938,969	11,085,841	11,276,092	11,488,740	11,701,388	11,960,241	12,253,625	12,495,770	12,819,836	13,100,659	13,337,940	13,551,716	13,712,972	
3.	Depreciation Expense (A)		25,329	25,716	26,180	26,669	27,211	27,846	28,462	29,113	29,809	30,404	30,923	31,354	339,016
4.	Cumulative Plant in Service Additions	10,938,969	11,085,841	11,276,092	11,488,740	11,701,388	11,960,241	12,253,625	12,495,770	12,819,836	13,100,659	13,337,940	13,551,716	13,712,972	
5.	Less: Accumulated Depreciation	192,902	218,231	243,947	270,127	296,796	324,007	351,853	380,315	409,428	439,237	469,641	500,564	531,918	
6.	Net Plant in Service (Line 4 - 5)	10,746,067	10,867,610	11,032,145	11,218,613	11,404,592	11,636,234	11,901,772	12,115,455	12,410,408	12,661,422	12,868,299	13,051,152	13,181,054	
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	2,294,100	2,136,783	2,037,023	1,912,459	1,775,104	1,637,748	1,625,373	1,588,399	1,576,314	1,511,345	1,468,974	1,450,597	1,453,543	
10.	Net Investment (Line 6 + 8 + 9)	13,040,167	13,004,393	13,069,168	13,131,072	13,179,696	13,273,982	13,527,145	13,703,854	13,986,722	14,172,767	14,337,273	14,501,749	14,634,597	
11.	Average Net Investment		13,022,280	13,036,781	13,100,120	13,155,384	13,226,839	13,400,564	13,615,500	13,845,288	14,079,745	14,255,020	14,419,511	14,568,173	
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		122,852	122,989	123,587	124,108	124,782	126,421	128,449	130,616	132,828	134,482	136,034	137,436	1,544,584
14.	Property Taxes		11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,665	139,947
15.	Total Depreciation, Return and Property Taxes (Line 3+13+14)		159,843	160,367	161,429	162,439	163,655	165,929	168,573	171,391	174,299	176,548	178,619	180,455	2,023,547

Notes:

- (A) GoodCents Select Property Additions Depreciated at 2.8% per year  
(B) Revenue Requirement Return is 11.321%

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
CONSERVATION PROGRAM NET COST  
January, 2007 Through July, 2007, Actual  
August, 2007 Through December, 2007, Estimated

Actual	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Materials Vehicles & Expenses	Advertising	Total Costs	Program Fees	Net Costs
<b>1. Residential Energy Surveys</b>							
a. Actual	1,072.95	453,289.86	54,919.38	122,005.67	631,287.66	0.00	631,287.66
b. Estimated	739.10	360,416.14	37,794.62	81,445.33	480,395.19	0.00	480,395.19
c. Total	1,812.05	813,706.00	92,714.00	203,451.00	1,111,683.05	0.00	1,111,683.05
<b>2. Residential Geothermal Heat Pump</b>							
a. Actual	0.00	53,912.90	39,219.74	3,032.40	96,165.04	0.00	96,165.04
b. Estimated	0.00	63,277.10	150,828.26	111,422.60	325,527.96	0.00	325,527.96
c. Total	0.00	117,190.00	190,048.00	114,455.00	421,693.00	0.00	421,693.00
<b>3. GoodCents Select</b>							
a. Actual	1,124,841.45	732,542.13	1,858,414.33	189,270.48	3,905,068.39	387,773.41	3,517,294.98
b. Estimated	814,912.44	487,837.87	2,428,911.67	85,729.52	3,817,391.50	345,600.00	3,471,791.50
c. Total	1,939,753.89	1,220,380.00	4,287,326.00	275,000.00	7,722,459.89	733,373.41	6,989,086.48
<b>4. Commercial / Industrial Energy Analysis</b>							
a. Actual	0.00	285,856.06	31,376.92	895.00	318,127.98	0.00	318,127.98
b. Estimated	0.00	311,112.94	84,696.08	3,177.00	398,986.02	0.00	398,986.02
c. Total	0.00	596,969.00	116,073.00	4,072.00	717,114.00	0.00	717,114.00
<b>5. GoodCents Commercial Buildings</b>							
a. Actual	0.00	337,625.40	36,270.83	280.00	374,176.23	0.00	374,176.23
b. Estimated	0.00	282,226.60	31,622.17	14,880.00	328,728.77	0.00	328,728.77
c. Total	0.00	619,852.00	67,893.00	15,160.00	702,905.00	0.00	702,905.00
<b>6. Commercial Geothermal Heat Pump</b>							
a. Actual	0.00	27,132.99	1,074.52	0.00	28,207.51	0.00	28,207.51
b. Estimated	0.00	24,527.01	15,425.48	0.00	39,952.49	0.00	39,952.49
c. Total	0.00	51,660.00	16,500.00	0.00	68,160.00	0.00	68,160.00
<b>7. Energy Services</b>							
a. Actual	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Estimated	0.00	0.00	3,900.00	0.00	3,900.00	0.00	3,900.00
c. Total	0.00	0.00	3,900.00	0.00	3,900.00	0.00	3,900.00
<b>8. Renewable Energy</b>							
<b>a. Solar for Schools</b>							
a. Actual	0.00	177.96	249.75	0.00	427.71	0.00	427.71
b. Estimated	0.00	2,554.04	406.25	0.00	2,960.29	0.00	2,960.29
c. Total	0.00	2,732.00	656.00	0.00	3,388.00	0.00	3,388.00
<b>b. EarthCents Solar</b>							
a. Actual	0.00	13,789.84	5,439.22	2,187.50	21,416.56	0.00	21,416.56
b. Estimated	0.00	2,577.16	4,010.78	22,812.50	29,400.44	0.00	29,400.44
c. Total	0.00	16,367.00	9,450.00	25,000.00	50,817.00	0.00	50,817.00
<b>c. Renewable Energy Initiatives</b>							
a. Actual	0.00	13,616.52	2,864.16	0.00	16,480.68	0.00	16,480.68
b. Estimated	0.00	9,668.48	57,449.84	50,000.00	117,118.32	0.00	117,118.32
c. Total	0.00	23,285.00	60,314.00	50,000.00	133,599.00	0.00	133,599.00
<b>9. Conservation Demonstration and Development</b>							
<b>a. Electrode Boiler</b>							
a. Actual	0.00	12,078.94	94.28	0.00	12,173.22	0.00	12,173.22
<b>b. Other</b>							
b. Actual	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>c. Total Actual</b>							
c. Actual	0.00	12,078.94	94.28	0.00	12,173.22	0.00	12,173.22
<b>d. Estimated</b>							
d. Estimated	0.00	9,633.06	20,430.72	0.00	30,063.78	0.00	30,063.78
<b>e. Total</b>							
e. Total	0.00	21,712.00	20,525.00	0.00	42,237.00	0.00	42,237.00
<b>10. Total All Programs</b>							
a. Actual	1,125,914.40	1,930,022.60	2,029,923.13	317,671.05	5,403,531.18	387,773.41	5,015,757.77
b. Estimated	815,651.54	1,553,830.40	2,835,475.87	369,466.95	5,574,424.76	345,600.00	5,228,824.76
<b>11. Total All Programs</b>	<b>1,941,565.94</b>	<b>3,483,853.00</b>	<b>4,865,399.00</b>	<b>687,138.00</b>	<b>10,977,955.94</b>	<b>733,373.41</b>	<b>10,244,582.53</b>

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
CONSERVATION PROGRAM COSTS (Exclusive of Program Fees)  
For the Period January, 2007 Through July, 2007, Actual  
August, 2007 Through December, 2007, Estimated

	ACTUAL							TOTAL ACT	ESTIMATED					TOTAL ACTUAL & ESTIMATED COSTS	
	JAN	FEB	MAR	APR	MAY	JUNE	JULY		AUG	SEP	OCT	NOV	DEC		TOTAL EST
1. Residential Energy Surveys	75,574.95	74,503.82	90,421.54	74,851.78	77,350.16	110,835.23	127,750.38	631,287.86	96,079.00	96,079.00	96,079.00	96,079.00	96,079.19	480,395.19	1,111,683.05
2. Residential Geothermal Heat Pump	16,361.44	13,636.48	9,833.90	11,034.43	19,772.15	10,876.70	14,649.94	96,165.04	65,106.00	65,106.00	65,106.00	65,106.00	65,103.96	325,527.96	421,693.00
3. GoodCents Select	455,033.20	520,831.28	556,747.56	544,375.65	621,417.29	560,935.21	645,728.20	3,905,068.39	763,478.00	763,478.00	763,478.00	763,478.00	763,479.50	3,817,391.50	7,722,459.89
4. Commercial / Industrial Energy Analysis	30,667.40	48,696.87	47,748.10	46,906.54	47,466.38	46,383.52	50,259.17	318,127.98	79,797.00	79,797.00	79,797.00	79,797.00	79,798.02	398,986.02	717,114.00
5. GoodCents Commercial Buildings	49,660.11	47,335.93	55,199.74	55,707.24	58,860.57	54,030.91	53,381.73	374,176.23	65,746.00	65,746.00	65,746.00	65,746.00	65,744.77	328,728.77	702,905.00
6. Commercial Geothermal Heat Pump	3,335.62	3,441.85	4,255.97	4,981.94	3,755.64	4,002.40	4,434.09	28,207.51	7,990.00	7,990.00	7,990.00	7,990.00	7,992.49	39,952.49	68,160.00
7. Energy Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	780.00	780.00	780.00	780.00	780.00	3,900.00	3,900.00
8. Renewable Energy															
a. Solar for Schools	83.46	55.53	(8.60)	112.49	87.67	50.63	46.53	427.71	592.00	592.00	592.00	592.00	592.29	2,960.29	3,388.00
b. Earth Cents Solar	2,654.11	2,862.85	3,024.97	3,081.68	3,104.75	2,962.29	3,725.91	21,416.56	5,880.00	5,880.00	5,880.00	5,880.00	5,880.44	29,400.44	50,817.00
c. Green Pricing Initiatives	2,049.85	3,142.82	2,039.28	1,994.96	2,563.28	2,379.10	2,311.39	16,480.68	23,424.00	23,424.00	23,424.00	23,424.00	23,422.32	117,118.32	133,599.00
9. Conservation Demonstration and Development															
a. Electrode Boiler	816.95	2,024.39	1,875.45	1,822.07	1,884.20	1,848.38	1,901.78	12,173.22	6,012.80	6,012.80	6,012.80	6,012.80	6,012.58	30,063.78	42,237.00
b. Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
10. Total All Programs	636,237.09	716,531.82	771,137.91	744,868.78	836,262.09	794,304.37	904,189.12	5,403,531.18	1,114,884.80	1,114,884.80	1,114,884.80	1,114,884.80	1,114,885.56	5,574,424.76	10,977,955.94
11. Less: Base Rate Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12. Net Recoverable Expenses	636,237.09	716,531.82	771,137.91	744,868.78	836,262.09	794,304.37	904,189.12	5,403,531.18	1,114,884.80	1,114,884.80	1,114,884.80	1,114,884.80	1,114,885.56	5,574,424.76	10,977,955.94

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
ESTIMATED TRUE-UP  
For the Period: January, 2007 through December, 2007

	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ESTIMATED AUGUST	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL
<u>Conservation Revenues</u>													
1. GoodCents Select Program Revenues	50,066.77 0.00 0.00	52,143.91 0.00 0.00	49,690.19 0.00 0.00	48,533.80 0.00 0.00	54,579.87 0.00 0.00	64,445.60 0.00 0.00	68,313.27 0.00 0.00	66,755.00	68,152.00	69,304.00	70,318.00	71,071.00	733,373.41
2. Conservation Revenues	<u>745,764.60</u>	<u>679,799.62</u>	<u>661,838.12</u>	<u>660,425.10</u>	<u>824,709.64</u>	<u>939,975.26</u>	<u>1,012,741.16</u>	<u>1,007,752.27</u>	<u>842,017.99</u>	<u>716,882.38</u>	<u>657,253.79</u>	<u>741,853.27</u>	<u>9,491,013.19</u>
3. Total Revenues	795,831.37	731,943.53	711,528.31	708,958.90	879,289.51	1,004,420.86	1,081,054.43	1,074,507.27	910,169.99	786,186.38	727,571.79	812,924.27	10,224,386.60
4. Adjustment not Applicable to Period - Prior True Up	<u>43,835.00</u>	<u>43,835.00</u>	<u>43,835.00</u>	<u>43,835.00</u>	<u>43,835.00</u>	<u>43,835.00</u>	<u>526,020.00</u>						
5. Conservation Revenues Applicable to Period	839,666.37	775,778.53	755,363.31	752,793.90	923,124.51	1,048,255.86	1,124,889.43	1,118,342.27	954,004.99	830,021.38	771,406.79	856,759.27	10,750,406.60
6. Conservation Expenses (Form C-3 Page 2 of 6)	<u>636,237.09</u>	<u>716,531.82</u>	<u>771,137.91</u>	<u>744,868.78</u>	<u>836,262.09</u>	<u>794,304.37</u>	<u>904,189.12</u>	<u>1,114,884.80</u>	<u>1,114,884.80</u>	<u>1,114,884.80</u>	<u>1,114,884.80</u>	<u>1,114,885.56</u>	<u>10,977,955.94</u>
7. True Up this Period (Line 5 minus Line 6)	203,429.28	59,246.71	(15,774.60)	7,925.12	86,862.42	253,951.49	220,700.31	3,457.47	(160,879.81)	(284,863.42)	(343,478.01)	(258,126.29)	(227,549.34)
8. Interest Provision this Period (C-3 Page 4 of 6, Line 10)	4,528.95	4,928.05	4,852.79	4,664.71	4,700.76	5,286.20	6,147.48	6,448.94	5,941.99	4,803.31	3,261.00	1,770.32	57,334.50
9. True Up & Interest Provision Beginning of Month	952,441.70	1,116,564.93	1,136,904.69	1,082,147.88	1,050,902.71	1,098,630.89	1,314,033.58	1,497,046.37	1,463,117.78	1,264,344.96	940,449.84	556,397.83	952,441.70
10. Prior True Up Collected or Refunded	<u>(43,835.00)</u>	<u>(43,835.00)</u>	<u>(43,835.00)</u>	<u>(43,835.00)</u>	<u>(43,835.00)</u>	<u>(43,835.00)</u>	<u>(526,020.00)</u>						
11. End of Period- Net True Up	<u>1,116,564.93</u>	<u>1,136,904.69</u>	<u>1,082,147.88</u>	<u>1,050,902.71</u>	<u>1,098,630.89</u>	<u>1,314,033.58</u>	<u>1,497,046.37</u>	<u>1,463,117.78</u>	<u>1,264,344.96</u>	<u>940,449.84</u>	<u>556,397.83</u>	<u>256,206.86</u>	<u>256,206.86</u>

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
INTEREST CALCULATION  
For the Period: January, 2007 through December, 2007

<u>Interest Provision</u>	ACTUAL <u>JAN</u>	ACTUAL <u>FEB</u>	ACTUAL <u>MARCH</u>	ACTUAL <u>APRIL</u>	ACTUAL <u>MAY</u>	ACTUAL <u>JUNE</u>	ACTUAL <u>JULY</u>	ESTIMATED <u>AUGUST</u>	ESTIMATED <u>SEPTEMBER</u>	ESTIMATED <u>OCTOBER</u>	ESTIMATED <u>NOVEMBER</u>	ESTIMATED <u>DECEMBER</u>	<u>TOTAL</u>
1. Beginning True up Amount	952,441.70	1,116,564.93	1,136,904.69	1,082,147.88	1,050,902.71	1,098,630.89	1,314,033.58	1,497,046.37	1,463,117.78	1,264,344.96	940,449.84	556,397.83	
2. Ending True up before Interest	1,112,035.98	1,131,976.63	1,077,295.09	1,046,238.00	1,093,930.13	1,308,747.38	1,490,898.89	1,456,668.84	1,258,402.97	935,646.53	553,136.83	254,436.54	
3. Total Beginning & Ending Balances	2,064,477.68	2,248,541.56	2,214,199.79	2,128,385.89	2,144,832.85	2,407,378.28	2,804,932.48	2,953,715.22	2,721,520.75	2,199,991.49	1,493,586.67	810,834.37	
4. Average True up Amount	1,032,238.84	1,124,270.78	1,107,099.90	1,064,192.94	1,072,416.42	1,203,689.14	1,402,466.24	1,476,857.60	1,360,760.37	1,099,995.74	746,793.33	405,417.18	
5. Interest Rate First Day Reporting Business Month	5.27	5.26	5.26	5.26	5.26	5.26	5.28	5.24	5.24	5.24	5.24	5.24	
6. Interest Rate First Day Subsequent Business Month	5.26	5.26	5.26	5.26	5.26	5.28	5.24	5.24	5.24	5.24	5.24	5.24	
7. Total of Lines 5 and 6	10.53	10.52	10.52	10.52	10.52	10.54	10.52	10.48	10.48	10.48	10.48	10.48	
8. Average Interest rate (50% of Line 7)	5.2650	5.2600	5.2600	5.2600	5.2600	5.2700	5.2600	5.2400	5.2400	5.2400	5.2400	5.2400	
9. Monthly Average Interest Rate Line 8 / 12 months	0.004388	0.004383	0.004383	0.004383	0.004383	0.004392	0.004383	0.004367	0.004367	0.004367	0.004367	0.004367	
10. Interest Provision (line 4 X 9)	4,528.95	4,928.05	4,852.79	4,664.71	4,700.76	5,286.20	6,147.48	6,448.94	5,941.99	4,803.31	3,261.00	1,770.32	57,334.50

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES  
RESIDENTIAL ENERGY SURVEYS - FLOW METER  
For the Period January, 2007 Through December, 2007

Line No.	Beginning of Period	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Projected August	Projected September	Projected October	Projected November	Projected December	Total
1		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	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	8,093.56	
3		96.35	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	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	8,093.56	
5	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	2,312.42	2,408.77	2,505.12	2,601.47	2,697.82	2,794.17	2,890.52	2,986.87	3,083.22	3,179.57	3,275.92	3,372.27	3,468.62	
7	5,781.14	5,684.79	5,588.44	5,492.09	5,395.74	5,299.39	5,203.04	5,106.69	5,010.34	4,913.99	4,817.64	4,721.29	4,624.94	
8		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	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	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	5,781.14	5,684.79	5,588.44	5,492.09	5,395.74	5,299.39	5,203.04	5,106.69	5,010.34	4,913.99	4,817.64	4,721.29	4,624.94	
12		5,732.97	5,636.62	5,540.27	5,443.92	5,347.57	5,251.22	5,154.87	5,058.52	4,962.17	4,865.82	4,769.47	4,673.12	
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		54.08	53.18	52.27	51.36	50.45	49.54	48.63	47.72	46.81	45.90	45.00	44.09	589.03
15		5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.55	66.82
16		156.00	155.10	154.19	153.28	152.37	151.46	150.55	149.64	148.73	147.82	146.92	145.99	1,812.05

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

Florida Public Service Commission  
Docket No. 070002-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  
GOODCENTS SELECT  
For the Period January, 2007 Through December, 2007

Line No.	Beginning of Period	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Projected August	Projected September	Projected October	Projected November	Projected December	Total
1		119,781.09	62,578.02	103,620.11	81,538.82	36,761.42	68,298.06	96,644.16	260,936.00	219,725.00	181,036.00	159,800.00	118,590.00	
2	9,429,660.54	9,549,441.63	9,612,019.65	9,715,639.76	9,797,178.58	9,833,940.00	9,902,238.06	9,998,882.22	10,259,818.22	10,479,543.22	10,660,579.22	10,820,379.22	10,938,969.22	
3		21,825.97	22,035.68	22,226.81	22,439.74	22,575.79	22,696.60	22,886.29	23,297.51	23,850.27	24,311.14	24,703.10	25,023.25	277,872.15
4	9,429,660.54	9,549,441.63	9,612,019.65	9,715,639.76	9,797,178.58	9,833,940.00	9,902,238.06	9,998,882.22	10,259,818.22	10,479,543.22	10,660,579.22	10,820,379.22	10,938,969.22	
5		(14,533.92)	(32,294.39)	(61,357.40)	(29,252.41)	(20,591.25)	(22,500.28)	(34,446.00)						
6	130,005.37	137,297.42	127,038.71	87,908.12	81,095.45	83,079.99	83,276.31	71,716.60	95,014.11	118,864.38	143,175.52	167,878.62	192,901.87	
7	9,299,655.17	9,412,144.21	9,484,980.94	9,627,731.64	9,716,083.13	9,750,860.01	9,818,961.75	9,927,165.62	10,164,804.11	10,360,678.84	10,517,403.70	10,652,500.60	10,746,067.35	
8		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	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	3,645,736.63	3,690,561.34	3,642,912.60	3,527,576.48	3,479,878.69	3,423,782.62	3,393,838.94	3,367,698.68	3,121,496.00	2,882,924.00	2,667,866.00	2,474,930.00	2,294,100.00	
11	12,945,391.80	13,102,705.55	13,127,893.54	13,155,308.12	13,195,961.82	13,174,642.63	13,212,800.69	13,294,864.30	13,286,300.11	13,243,602.84	13,185,269.70	13,127,430.60	13,040,167.35	
12		13,024,048.68	13,115,299.55	13,141,600.83	13,175,634.97	13,185,302.23	13,193,721.66	13,253,832.51	13,290,582.21	13,264,951.48	13,214,436.27	13,156,350.15	13,083,798.98	
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		122,868.88	123,729.74	123,977.86	124,298.94	124,390.14	124,469.57	125,036.66	125,383.35	125,141.55	124,664.99	124,117.01	123,432.56	1,491,511.25
15		14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	14,197.54	170,370.49
16		158,892.39	159,962.96	160,402.21	160,936.22	161,163.47	161,363.71	162,120.49	162,878.40	163,189.36	163,173.67	163,017.65	162,653.36	1,939,753.89

Notes:  
(A) GoodCents Select Property Additions Depreciated at 2.8% per year  
(B) Revenue Requirement Return (includes Income Taxes) is 11.3210%

Florida Public Service Commission  
Docket No. 070002-EG  
GULF POWER COMPANY  
Witness: William D. Eggart  
Exhibit No. \_\_\_\_\_  
(WDE-2)  
Schedule C-3  
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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 2008 through December 2008, the Company expects to conduct 300 audits and incur expenses totaling \$692,468.

Program Accomplishments: During the January through July 2007 period, actual results were 72 audits. We anticipate 200 audits to be completed for 2007.

Program Fiscal Expenditures: Forecasted expenses were \$406,320 for the first seven months of 2007 compared to actual expenses of \$318,128 for a deviation of \$88,192 or 21.7% under budget.

Program Progress Summary: A total of 18,364 audits have been completed since the program's inception.

Program Description and Progress

Program Title: GoodCents Commercial Buildings

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 2008 recovery period, Gulf expects to certify 180 GoodCents Buildings and incur expenses totaling \$732,259.

Program Accomplishments: Certification of 134 buildings has been achieved during January through July 2007. The annual projection for 2007 is 180 buildings.

Program Fiscal Expenditures: Forecasted expenses for January through July 2007 were \$399,592 compared to actual expenses of \$374,176 for a deviation of \$25,416 or 6.4% under budget.

Program Progress Summary: A total of 8,959 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 20 units during the 2008 period and expenses of \$153,456. 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; \$400/ton incentive for commercial, full closed loop projects or \$200/ton for hybrid closed loop projects.

Program Accomplishments: During the January through July 2007 period, there was 1 unit installed. It is anticipated that there will be 8 units installed by the end of the year.

Program Fiscal Expenditures: Forecasted expenses for January through July, 2007 were \$31,816 compared to actual expenses of \$28,208 for a deviation of \$3,608 or 11.3% under budget.

Program Progress Summary: To date, eight 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 2008 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 \$255,000.

Program Accomplishments: For the period January through July 2007, at the meter reductions of 9,442,551 kWh, winter kW of 1,343 and summer kW of 1,812 were achieved.

Program Fiscal Expenditures: Forecasted expenses for January through July 2007 were \$31,437 with no expenses incurred during this period. These projects and their costs were undertaken by the customers primarily due to Gulf Power's continued presence in the marketplace and the direct economic benefit of these changes.

Program Progress Summary: Total reductions at the meter of 22,986,905 kWh, 3,044 kW winter and 4,784 kW summer reductions have been achieved since this program was initiated.

Program Description and Progress

Program Title: Renewable Energy

Program Description: The Renewable Energy 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 renewable energy pilot program utilizing landfill gas, wind, solar or other renewable energy sources.

Program Accomplishments:

EarthCents Solar (Photovoltaic (PV) 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 July 2007, 62 customers have signed up for 82 100-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.

The Solar for Schools program has enabled Gulf Power to install a 4 kW PV solar system at each of the following institutions: the Junior Museum of Bay County in 2000, Meigs Middle School in Shalimar in 2003, West Florida High School of Advanced Technology in Pensacola in 2003, and Bay County High School in Panama City in 2004.

Renewable Energy Pilot: Initial research and investigation into this market has been inconclusive. More time will be needed to research renewable energy sources.

Program Fiscal Expenditures: There were expenses of \$85,883 projected for the period January through July 2007. Actual expenses for this period are: Solar for Schools, \$428; EarthCents Solar, \$21,417; and Renewable Energy Initiatives, \$16,481.

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:

Electrode Boiler - This project will measure overall energy performance and verify operation of a new 3.4 mW 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.

The Electrode Boiler CDD Project has experienced a number of delays since its inception in 2005. It was originally anticipated that the equipment would be installed and data collection completed by the end of 2006; however, a problem securing the appropriate meters, construction delays, and issues ensuring accuracy of data and equipment calibration caused the collection of correct data to be delayed until the spring of 2007.

Data will be collected for a full 12-month period and a final report should be available by September 2008.

Program Fiscal Expenditures: Program expenses were forecasted at \$77,816 for the period January through July 2007 compared to actual expenses of \$12,173 for a deviation of \$65,643 under budget. Expenses are under budget due to less than anticipated project costs. Project expenses were as follows: Electrode Boiler, \$12,173, Other, \$0.