



Rhonda J. Alexander  
Manager  
Regulatory, Forecasting & Pricing

One Energy Place  
Pensacola, FL 32520-0780  
850 444 6743 tel  
850 444 6026 fax  
rjalexad@southernco.com

August 18, 2017

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Energy Conservation Cost Recovery Clause  
Docket No. 20170002-EG

Dear Ms. Stauffer:

Attached for official filing in the above-referenced docket are the following:

1. The Petition of Gulf Power Company.
2. Prepared direct testimony and Exhibits of John N. Floyd.

Pursuant to the Order Establishing Procedure in this docket, electronic copies of exhibits JNF-2 and JNF-3 will be provided to the parties under separate cover.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander  
Regulatory, Forecasting and Pricing Manager

md

#### Attachments

cc: Florida Public Service Commission  
Lee Eng Tan, Sr Attorney, Office of the General Counsel (5 copies)  
Gulf Power Company  
Jeffrey A. Stone, Esq., General Counsel  
Beggs & Lane  
Russell Badders, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery )  
 ) Docket No.: 20170002-EG  
 ) Filed: August 18, 2017  
 )

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF  
THE FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS  
FOR JANUARY 2016 THROUGH DECEMBER 2016;  
ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS  
FOR JANUARY 2017 THROUGH DECEMBER 2017;  
PROJECTED CONSERVATION COST RECOVERY AMOUNTS  
FOR JANUARY 2018 THROUGH DECEMBER 2018;  
THE CONSERVATION COST RECOVERY FACTORS TO BE APPLIED BEGINNING  
WITH THE PERIOD JANUARY 2018 THROUGH DECEMBER 2018; AND  
EXTENSION OF THE RESIDENTIAL SERVICE TIME-OF-USE RATE PILOT  
PROGRAM**

Notices and communications with respect to this Petition and docket should be addressed to:

Rhonda J. Alexander  
Regulatory, Forecasting & Pricing Manager  
Gulf Power Company  
One Energy Place  
Pensacola, Florida  
32520-0780  
(850) 444-6743  
(850) 444-6026 (facsimile)  
rjalexad@southernco.com

Jeffrey A. Stone, Esq.  
General Counsel  
Gulf Power Company  
One Energy Place  
Pensacola, Florida  
32520-0100  
(850) 444-6550  
jastone@southernco.com

Russell A. Badders, Esq.  
rab@beggslane.com  
Steven R. Griffin, Esq.  
srg@beggslane.com  
Beggs & Lane, R.L.L.P.  
P.O. Box 12950  
Pensacola, Florida  
32591-2950  
(850) 432-2451  
(850) 469-3331 (facsimile)

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and pursuant to section 366.82, Florida Statutes, and Rule 25-17.015, Florida Administrative Code, hereby petitions the Florida Public Service Commission for recovery of the final conservation cost recovery true-up amounts for January 2016 through December 2016; for approval of its estimated energy conservation true-up amounts for the period January 2017 through December 2017; for approval of the projected energy conservation cost amounts for the period January 2018 through December 2018; for approval of the proposed energy conservation cost recovery factors to be applied beginning with the period January 2018 through December 2018; and for approval of a limited extension of the Company's Residential Service Time-of-Use Rate Pilot Program .

In support thereof, the Company would respectfully show:

1. Gulf is a corporation with its headquarters located at 500 Bayfront Parkway, Pensacola, Florida 32520. The Company is an investor-owned electric utility operating under the jurisdiction of this Commission.
2. Pursuant to section 366.82, Florida Statutes, Gulf's energy conservation programs and goals have been approved and adopted by order of this Commission. The implementation of these programs has resulted in certain reasonable and prudent un-reimbursed costs incurred or to be incurred which the Company hereby petitions to be recovered through its rates and charges pursuant to Rule 25-17.015, F.A.C., and the orders and procedures of this Commission.
3. Incorporated by reference into this Petition is the testimony and exhibit of John N. Floyd, submitted in May 2017 and the testimony and exhibits of John N. Floyd filed concurrently with this Petition.<sup>1</sup> Mr. Floyd's composite exhibits present reports of Gulf's

---

<sup>1</sup> The composite exhibit attached to Mr. Floyd's May 2017 testimony contains the Company's CT schedules for the twelve month period ending December 2016. The composite exhibit attached to Mr. Floyd's August 2017 testimony

various programs and incorporate the appropriate and necessary data and information to show the energy conservation cost calculations projected for the period January 2018 through December 2018 and the appropriate true-up adjustment to be applied based on actual data through June 2017 and estimated data for the remainder of the period through December 2017.

4. The final conservation cost recovery true-up amounts were filed with the Commission in May 2017 as shown on Schedule CT-1. The final true-up amount for the period January 2016 through December 2016, as presented in the testimony and exhibit of Mr. Floyd filed in May 2017, is an under recovery of \$270,410 which amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors for the next period.

5. Gulf has calculated its estimated true-up amount for the period ending December 2017 to be an over recovery of \$127,008. This amount, together with the final true-up amount, is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors for the next period.

6. Gulf projects recoverable expenditures of \$14,666,016, including true-up amounts and revenue taxes, for its approved conservation programs during the twelve month period beginning January 2018 and ending December 2018.

7. Gulf projects that its retail energy sales during the period January 2018 through December 2018 will be 10,907,192,000 kilowatt hours (kWh).

8. On the basis of the final true-up for the period January 2016 through December 2016, the estimated true-up for the period January 2017 through December 2017, the cost

---

contains the Company's C schedules for the twelve month period ending December 2016 and includes data related to the current period January through June 2017, actual and July through December 2017, estimated.

projections for the period January 2018 through December 2018, and proper consideration of both projected kWh sales and the adjustment for revenue taxes, the Company's proposed conservation cost recovery factors by customer class for the period January 2018 through December 2018 are as follows:

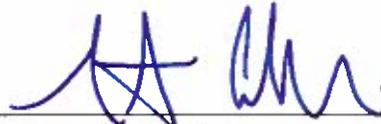
<b>RATE CLASS</b>	<b>CONSERVATION COST RECOVERY FACTORS ¢/kWh</b>
RS	0.140
RSVP Tier 1	(3.000)
RSVP Tier 2	(0.952)
RSVP Tier 3	7.772
RSVP Tier 4	68.008
RSTOU On-peak	17.250
RSTOU Off-peak	(3.205)
GS	0.137
GSD, GSDT, GSTOU	0.132
LP, LPT	0.127
PX, PXT, RTP, SBS	0.124
OSI, OSII	0.108
OSIII	0.124

9. As discussed in Mr. Floyd's testimony, Gulf is proposing an extension of the Residential Time of Use (RSTOU) pilot through December 31, 2020. The Commission approved this pilot as part of Gulf's 2015 DSM Plan as a means to evaluate a new rate schedule that could potentially be utilized with a demand response program whereby the customer

provides their own thermostat. Gulf's current tariff provides that this rate schedule will expire on December 31, 2017, unless extended by order of the Commission. Gulf intends to take the pilot results, combined with other data and experience with demand response, and propose a permanent program for customers in the next cycle of DSM Plan reviews in 2019. The proposed extension will provide continuity for Gulf's current pilot customers who desire to remain on this pilot rate schedule pending 2020 DSM Plan approvals. A revised tariff sheet is included as Exhibit JNF-3 to Mr. Floyd's testimony. Should the Commission choose not to approve a permanent program as part of Gulf's 2020 DSM Plan, the extension of the current RSTOU tariff until the proposed time would allow the opportunity for Gulf to smoothly transition participating customers to a different rate schedule.

**WHEREFORE**, Gulf Power Company respectfully requests the Commission to authorize the Company to recover its un-reimbursed costs reasonably and prudently incurred in accordance with this petition and thereby approve the final conservation cost recovery true-up amounts for the period January 2016 through December 2016, the estimated conservation cost recovery true-up amounts for January 2017 through December 2017, the projected conservation cost recovery amounts for January 2018 through December 2018, the conservation cost recovery factors, to be applied beginning with the period January 2018 through December 2018; and the limited extension of the Company's Residential Service Time-of-Use Rate Pilot Program.

Dated this 18<sup>th</sup> day of August, 2017.



---

**JEFFREY A. STONE**  
**General Counsel**  
Florida Bar No. 325953  
jastone@southernco.com  
**Gulf Power Company**  
One Energy Place  
Pensacola, FL 32520-0100  
(850) 444-6550

**RUSSELL A. BADDERS**  
Florida Bar No. 007455  
**STEVEN R. GRIFFIN**  
Florida Bar No. 0627569  
**Beggs & Lane**  
P.O. Box 12950  
Pensacola, FL 32591-2950  
(850) 432-2451  
**Attorneys for Gulf Power**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENERGY CONSERVATION COST  
RECOVERY CLAUSE**

**Docket No. 20170002-EG**

**PREPARED DIRECT TESTIMONY  
AND EXHIBITS OF**

**JOHN N. FLOYD**

**PROJECTION  
JANUARY 2018 – DECEMBER 2018**

**ESTIMATED ACTUAL TRUE-UP FILING  
JANUARY 2017 – DECEMBER 2017**

**AUGUST 18, 2017**



**Gulf Power**

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony and Exhibit of  
4 John N. Floyd  
5 Docket No. 20170002-EG  
6 Energy Conservation Cost Recovery Clause  
7 August 18, 2017

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

10 A. My name is John N. Floyd and my business address is One Energy Place,  
11 Pensacola, Florida 32520. I am employed by Gulf Power Company as the  
12 Energy Efficiency and Renewables Manager.

13 Q. Mr. Floyd, please describe your educational background and business  
14 experience.

15 A. I received a Bachelor Degree in Electrical Engineering from Auburn  
16 University in 1985. After serving four years in the U.S. Air Force, I began  
17 my career in the electric utility industry at Gulf Power in 1990 and have  
18 held various positions with the Company in Power Generation, Metering,  
19 Power Delivery and Marketing. In my present position, I am responsible  
20 for the development and implementation of Gulf's customer program  
21 offerings associated with the Company's Demand-Side Management  
22 (DSM) Plan.

23 Q. Mr. Floyd, for what purpose are you appearing before this Commission  
24 today?

25

1 A. I am testifying before this Commission on behalf of Gulf Power regarding  
2 matters related to the Energy Conservation Cost Recovery Clause and to  
3 answer any questions concerning the calculation of recoverable  
4 conservation costs in this filing. Specifically, I will address projections for  
5 approved programs during the January 2018 through December 2018  
6 recovery period and the anticipated results of those programs during the  
7 current recovery period, January 2017 through December 2017 (six  
8 months actual, six months estimated).

9

10 Q. Have you prepared exhibits that contain information to which you will refer  
11 in your testimony?

12 A. Yes. I have prepared two exhibits which are titled JNF-2 and JNF-3,  
13 respectively. Exhibit JNF-2 consists of six schedules, and Exhibit JNF-3  
14 consists of one schedule. Each exhibit was prepared under my direction,  
15 supervision, or review.

16 Counsel: We ask that Mr. Floyd's exhibits  
17 consisting of seven schedules be marked as  
18 Exhibit Nos. \_\_\_\_ (JNF-2) and \_\_\_\_ (JNF-3).

19

20 Q. Would you summarize for this Commission the deviations resulting from  
21 the actual costs for January 2017 through June 2017 of the current  
22 recovery period?

23 A. Projected expenses for the first six months of the current period were  
24 \$6,884,233 compared to actual expenses of \$5,450,860 for a difference of  
25 \$1,433,373 or 21% under budget. A detailed summary of all program

1 expenses is contained in my Schedule C-3, pages 1 and 2, and my  
2 Schedule C-5.

3

4 Q. Did you project expenses for the period July 2017 through December  
5 2017?

6 A. Yes. A detailed summary of those projections can be found in my  
7 Schedule C-3.

8

9 Q. How do the estimated actual expenses compare to projected expenses  
10 included in the 2017 Projection filing for the period July – December  
11 2017?

12 A. Estimated actual expenses for the period July – December 2017 of  
13 \$6,825,342 are \$163,891 or 2% more than the projected expenses for that  
14 same period of \$6,661,451.

15

16 Q. As authorized by Order No. PSC-2017-0178-S-EI in Gulf Power's  
17 ~~Rate~~ Review Dockets 20160186-EI and 20160170-EI, are the On Peak  
18 Demand credits and Critical Peak Demand charges issued under the  
19 Critical Peak Option (CPO) for Large Power Time of Use (LPT) customers  
20 being included in this Clause?

21 A. Yes. Effective July 1, 2017, the Critical Peak Option Program was added  
22 to the Clause to capture the On-Peak Demand Credits net of the Critical  
23 Peak Demand Charges.

24

25

1 Q. Are expenses for the credits projected in this filing for the periods July  
2 through December 2017 and January through December 2018?

3 A. Yes. Projections for these expenses are provided on Schedules C-2 and  
4 C-3. Detail regarding this program can also be found on Schedule C-5.  
5

6 Q. Are the On-Peak Demand Credit and the Critical Peak Demand Charge  
7 projected to change from the current rates during the projection periods?

8 A. Yes. Beginning January 2018, the On-Peak Demand Credit will equal  
9 \$2.14 per kW of On-Peak billing demand, and the Critical Peak Demand  
10 Charge will equal \$25.68 per kW of Critical Peak billing demand.  
11

12 Q. Why are these values changing from the current level?

13 A. The On-Peak Demand Credit is the maximum value that is cost-effective  
14 for the CPO rate. In other words, this is the maximum value that can be  
15 provided to keep the program RIM passing. The Critical Peak Demand  
16 Charge is calculated to ensure that participating customers are receiving  
17 the full value of the capacity credits only for the demand that is actually  
18 reduced during a critical event period.  
19

20 Q. Have you provided a description of Gulf's DSM program results achieved  
21 during the period, January 2017 through June 2017?

22 A. Yes. A detailed summary of year-to-date results for each program is  
23 contained in my Schedule C-5.  
24  
25

1 Q. Would you summarize the conservation program cost projections for the  
2 January 2018 through December 2018 recovery period?

3 A. Yes. Program costs for the projection period are estimated to be  
4 \$14,512,062. These costs are broken down as follows: depreciation,  
5 return on investment and property taxes, \$3,569,054; payroll/benefits,  
6 \$4,333,802; materials/expenses, \$5,114,206; advertising, \$650,000; and  
7 incentives, \$845,000. More detail concerning these projections is  
8 contained in my Schedule C-2.

9

10 Q. Are the Company's projected expenses for the January 2018 through  
11 December 2018 period reasonable and appropriate for cost recovery?

12 A. Yes. Gulf continually evaluates the resources necessary to deliver the  
13 DSM Plan and all of its components in order to meet the Company's DSM  
14 goals. With the current level of goals, Gulf has carefully considered the  
15 appropriate level of resources necessary to achieve the goals.

16

17 Q. What is the basis for Gulf's conservation program cost projections for the  
18 January 2018 through December 2018 recovery period?

19 A. These projections are based on program cost estimates associated with  
20 Gulf's 2015 DSM Plan, which was approved on August 19, 2015, in Order  
21 No. PSC-2015-0330-PAA-EG.

22

23

24

25

1 Q. Would you describe the expected results for your programs during the  
2 January 2018 through December 2018 recovery period?

3 A. Program details, including expected results, for the period January 2018  
4 through December 2018 can be found in my Schedule C-5.

5

6 Q. What is the proposed 2018 factor for Rate Schedule RS and what will be  
7 the charge for a 1,000 kWh monthly bill on Gulf Power's Rate Schedule  
8 RS?

9 A. The proposed Energy Conservation Cost Recovery factor for Rate  
10 Schedule RS is .140 cents per kWh, which results in a charge of \$1.40 on  
11 a 1,000 kWh monthly bill on Gulf Power's Rate Schedule RS.

12

13 Q. When does Gulf propose to collect these Energy Conservation Cost  
14 Recovery charges?

15 A. The factors will be effective beginning with the first bill group for January  
16 2018 and continue through the last bill group for December 2018.

17

18 Q. Are there any other issues to be addressed in this docket?

19 A. Yes. Gulf is proposing an extension of the Residential Time of Use  
20 (RSTOU) pilot through December 31, 2020.

21

22 Q. Why is Gulf proposing to extend this pilot?

23 A. The Commission approved this pilot as part of Gulf's 2015 DSM Plan as a  
24 means to evaluate a new rate schedule that could potentially be utilized  
25 with a demand response program whereby the customer provides their

1 own thermostat. Gulf has successfully executed all the elements of the  
2 pilot including recruitment of customers, delivery of thermostats to  
3 participating customers and enrollment in the program. The results of the  
4 pilot indicate customers see value in this approach, and the majority are  
5 satisfied with the program. Gulf intends to take the pilot results, combined  
6 with other data and experience with demand response, and propose a  
7 permanent program for customers in the next cycle of DSM Plan reviews  
8 in 2019. In the interim, Gulf would like to allow interested customers to  
9 remain on the pilot rate until the Company files a permanent program.

10

11 Q. Are there any other benefits of extending the pilot?

12 A. Yes. While this program currently only provides automated demand  
13 response capability with the central HVAC system through a “smart”  
14 thermostat, Gulf is evaluating technologies that would allow additional  
15 control of water heating and potentially other major appliances that could  
16 easily be tested as part of this pilot. All of these evaluations would be  
17 rolled into the permanent program filing as appropriate and beneficial to  
18 Gulf’s customers.

19

20 Q. Is Gulf proposing changes to the RSTOU tariff to support this request?

21 A. Yes. The current RSTOU tariff will expire on December 31, 2017. Gulf is  
22 requesting that the Commission approve extending the RSTOU tariff  
23 through December 31, 2020, to allow time for 2020 DSM Plan approvals.  
24 This extension will provide continuity for Gulf’s current pilot customers who  
25 desire to remain on this pilot rate schedule pending 2020 DSM Plan

1           approvals. A revised tariff sheet is included as Exhibit JNF-3. Should the  
2           Commission choose not to approve a permanent program as part of Gulf's  
3           2020 DSM Plan, the extension of the current RSTOU tariff until the  
4           proposed time would allow the opportunity for Gulf to smoothly transition  
5           participating customers to a different rate schedule.

6

7    Q.    Is Gulf requesting any additional funding for the pilot?

8    A.    No. Gulf is currently well under budget for the RSTOU pilot and would  
9           continue to operate under the approved expenditure cap.

10

11   Q.    Mr. Floyd, does this conclude your testimony?

12   A.    Yes, it does.

13

14

15

16

17

18

19

20

21

22

23

24

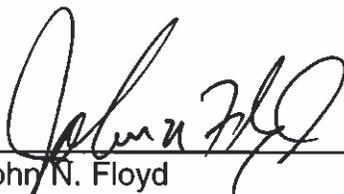
25

AFFIDAVIT

STATE OF FLORIDA     )  
  )  
COUNTY OF ESCAMBIA    )

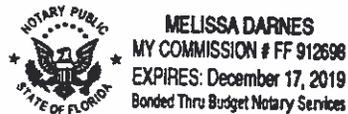
Docket No. 20170002-EG

Before me the undersigned authority, personally appeared John N. Floyd, who being first duly sworn, deposes, and says that he is the Energy Efficiency and Renewables Manager 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.

  
\_\_\_\_\_  
John N. Floyd  
Energy Efficiency and Renewables Manager

Sworn to and subscribed before me this 17<sup>th</sup> day of August, 2017.

  
\_\_\_\_\_  
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	2-4
C-2	Projected Program Costs for January 2018 - December 2018	5-7
C-3	Conservation Program Costs for January 2017 - June 2017 Actual July 2017 - December 2017 Estimated	8-13
C-4	Calculation of Conservation Revenues	14
C-5	Program Descriptions and Progress Reports	15-32
C-6	RSVP/RSTOU Factors	33

GULF POWER COMPANY  
 ENERGY CONSERVATION CLAUSE  
 SUMMARY OF PROJECTED COST RECOVERY CLAUSE CALCULATION  
 For the Period: January, 2018 Through December, 2018

		\$
1.	Net Program Costs: Projected for 2018 (Schedule C-2 Page 2 of 3, Line 16)	14,512,062
2.	True Up: Estimated 2017 (Jan-Jun Actual; Jul-Dec Est.) (Schedule C-3, Page 3 of 5, Line 11)	143,402
3.	Total (Line 1 + Line 2)	14,655,464
4.	Cost Subject to Revenue Taxes	14,655,464
5.	Revenue Tax	1.00072
6.	Total Recoverable Cost	14,666,016

Program costs are split in proportion to the current period split of demand-related and energy-related costs, see below. The allocation of projected ECCR costs between demand and energy is shown on schedule C-2, page 2 of 3, and is consistent with the methodology set forth in FPSC Order No. PSC-93-1845-FOF-EG.

7.	Total Cost	14,666,016
8.	Energy Related Costs	10,815,627
9.	Demand Related Costs (total)	3,850,389
10.	Demand Costs Allocated on 12 CP	3,554,205
11.	Demand Costs Allocated on 1/13 th	296,184

	Energy \$	* Demand \$	Total	Energy	Demand	Total Recoverable Costs Including Revenue Taxes
	\$	\$	\$	\$	\$	\$
12. Est/Actual 2017	8,907,794	3,368,408	12,276,202	104,129	39,376	143,505
13. Percentage	72.56%	27.44%	100.00%			
14. Projected 2018	10,703,791	3,808,271	14,512,062	10,711,498	3,811,013	14,522,511
15. Percentage	73.76%	26.24%	100.00%			
16. Total				10,815,627	3,850,389	14,666,016

\* Note: Demand dollars are half of Energy Select and all of Critical Peak Option

GULF POWER COMPANY  
ENERGY CONSERVATION COST RECOVERY FACTORS  
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS  
For the Period: January, 2018 Through December, 2018

Rate Class	A	B	C	D	E	F	G	H	I
	Average 12 CP Load Factor at Meter	Jan - Dec 2018 Projected KWH Sales at Meter	Projected Avg 12 CP KW at Meter	Demand Loss Expansion Factor	Energy Loss Expansion Factor	Jan - Dec 2018 Projected KWH Sales at Generation	Projected Avg 12 CP KW at Generation	Jan - Dec 2018 Percentage of KWH Sales at Generation	Percentage of 12 CP KW Demand at Generation
RS, RSVP, RSTOU	57.542346%	5,405,053,000	1,072,280	1.00609343	1.00559591	5,435,299,190	1,078,814	49.83290%	57.74834%
GS	63.463164%	309,196,000	55,617	1.00608241	1.00559477	310,925,881	55,955	2.85069%	2.99526%
GSD, GSDT, GSTOU	73.488079%	2,462,912,000	382,585	1.00590017	1.00544671	2,476,326,767	384,842	22.70391%	20.60040%
LP, LPT	82.760718%	894,459,000	123,376	0.98747379	0.99210885	887,400,690	121,831	8.13603%	6.52155%
PX, PXT, RTP, SBS	85.375300%	1,684,946,000	225,294	0.96884429	0.97666479	1,645,627,431	218,275	15.08774%	11.68414%
OS - I / II	416.652542%	101,954,000	2,793	1.00619545	1.00560119	102,525,064	2,811	0.93999%	0.15045%
OS-III	99.799021%	48,672,000	5,567	1.00617773	1.00558881	48,944,019	5,602	0.44874%	0.29986%
<b>TOTAL</b>		<u>10,907,192,000</u>	<u>1,867,513</u>			<u>10,907,049,042</u>	<u>1,868,130</u>	<u>100.000000%</u>	<u>100.000000%</u>

**Notes:**  
Column A = Average 12 CP load factor based on actual 2015 load research data.  
Column C = Column B / (8760 hours x Column A), 8,760 is the number of hours in 12 months.  
Column F = Column B x Column E  
Column G = Column C x Column D  
Column H = Column F / Total Column F  
Column I = Column G / Total Column G

GULF POWER COMPANY  
ENERGY CONSERVATION COST RECOVERY FACTORS  
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS  
For the Period: January, 2018 Through December, 2018

Rate Class	A	B	C	D	E	F	G	H
	Jan - Dec 2018 Percentage of KWH Sales at Generation	Percentage of 12 CP KW Demand at Generation	Demand Allocation 12CP	1/13 th	Energy Allocation	Total Conservation Costs	Jan - Dec 2018 Projected KWH Sales at Meter	Conservation Recovery Factor cents per KWH
RS, RSVP, RSTOU	49.83290%	57.74834%	\$2,052,495	\$147,598	\$5,389,740	\$7,589,833	5,405,053,000	0.140
GS	2.85069%	2.99526%	106,458	8,443	308,320	423,221	309,196,000	0.137
GSD, GSDT, GSTOU	22.70391%	20.60040%	732,180	67,245	2,455,570	3,254,995	2,462,912,000	0.132
LP, LPT	8.13603%	6.52155%	231,789	24,098	879,963	1,135,850	894,459,000	0.127
PX, PXT, RTP, SBS	15.08774%	11.68414%	415,278	44,687	1,631,834	2,091,799	1,684,946,000	0.124
OS - I / II	0.93399%	0.15045%	5,347	2,784	101,666	109,797	101,954,000	0.108
OS-III	0.44874%	0.29986%	10,658	1,329	48,534	60,521	48,672,000	0.124
TOTAL	100.00000%	100.00000%	\$3,554,205	\$296,184	\$10,815,627	\$14,666,016	10,907,192,000	

**Notes:**

- A Obtained from Schedule C-1, page 2 of 3, column H
- B Obtained from Schedule C-1, page 2 of 3, column I
- C Total from C-1, page 1, line 10 \* column B
- D Total from C-1, page 1, line 11 \* column A
- E Total from C-1, page 1, line 8 \* column A
- F Sum of Columns C, D and E
- G Projected kWh sales for the period January 2018 through December 2018
- H Column F / G

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
PROJECTED CONSERVATION PROGRAM NET COSTS  
For the Period: January, 2018 Through December, 2018

Programs	Depreciation, Return & Property Taxes	Payroll & Benefits	Materials & Supplies	Other	Advertising	Incentives	Total Costs	Program Fees	Net Costs
<b>Residential Conservation Programs:</b>									
1. Residential Energy Audit and Education	0	1,237,741	426,661	0	350,000	0	2,014,402	0	2,014,402
2. Community Energy Saver	0	116,592	725,253	0	0	0	841,845	0	841,845
3. Residential Custom Incentive	0	40,842	55,425	0	0	50,000	146,267	0	146,267
4. HVAC Efficiency	0	312,161	880,530	0	0	395,000	1,587,691	0	1,587,691
5. Residential Building Efficiency	0	385,794	96,851	0	0	165,000	647,645	0	647,645
6. Energy Select	3,569,054	1,114,699	2,082,337	0	300,000	0	7,066,090	0	7,066,090
<b>Subtotal</b>	<b>3,569,054</b>	<b>3,207,829</b>	<b>4,267,057</b>	<b>0</b>	<b>650,000</b>	<b>610,000</b>	<b>12,303,940</b>	<b>0</b>	<b>12,303,940</b>
<b>Commercial / Industrial Conservation Programs:</b>									
7. Commercial / Industrial Audit	0	655,508	116,312	0	0	0	771,820	0	771,820
8. HVAC Retrocommissioning	0	41,589	49,715	0	0	25,000	116,304	0	116,304
9. Commercial Building Efficiency	0	302,256	96,151	0	0	160,000	558,407	0	558,407
10. Commercial / Industrial Custom Incentive	0	51,489	67,626	0	0	50,000	169,115	0	169,115
<b>Subtotal</b>	<b>0</b>	<b>1,050,842</b>	<b>329,804</b>	<b>0</b>	<b>0</b>	<b>235,000</b>	<b>1,615,646</b>	<b>0</b>	<b>1,615,646</b>
11. Residential Time of Use Rate Pilot	0	10,305	56,945	0	0	0	67,250	0	67,250
12. Conservation Demonstration and Development	0	44,826	205,174	0	0	0	250,000	0	250,000
13. Critical Peak Option	0	20,000	255,226	0	0	0	275,226	0	275,226
14. Total All Programs	3,569,054	4,333,802	5,114,206	0	650,000	845,000	14,512,062	0	14,512,062
15. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
16. Net Program Costs	3,569,054	4,333,802	5,114,206	0	650,000	845,000	14,512,062	0	14,512,062

GULF POWER COMPANY  
 ENERGY CONSERVATION CLAUSE  
 PROJECTED CONSERVATION PROGRAM COSTS (NET OF PROGRAM FEES)  
 For the Period: January, 2018 Through December, 2018

Programs	12 MONTH TOTAL												ENERGY COSTS	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		DEMAND COSTS
<b>Residential Conservation Programs:</b>														
1. Residential Energy Audit and Education	112,647	190,642	285,372	161,342	166,956	172,527	115,763	321,235	131,915	121,918	118,876	115,209	2,014,402	2,014,402
2. Community Energy Saver	69,140	69,147	74,087	69,579	69,383	69,484	69,375	73,888	69,518	69,392	69,405	69,447	841,845	841,845
3. Residential Custom Incentive	11,143	12,168	14,413	12,761	14,764	12,764	14,260	14,342	8,824	14,770	7,780	8,278	146,267	146,267
4. HVAC Efficiency	145,062	143,129	160,029	147,492	138,259	128,368	150,053	164,111	97,701	115,056	96,358	105,073	1,587,691	1,587,691
5. Residential Building Efficiency	51,653	50,759	70,888	48,114	53,430	52,432	61,231	74,269	52,335	48,383	42,710	41,441	647,645	647,645
6. Energy Select	520,694	526,607	643,566	654,508	536,163	619,836	534,646	700,139	601,994	550,654	542,736	634,547	3,533,045	3,533,045
<b>Subtotal</b>	<b>910,339</b>	<b>992,452</b>	<b>1,248,355</b>	<b>1,093,796</b>	<b>978,955</b>	<b>1,052,411</b>	<b>945,328</b>	<b>1,347,984</b>	<b>962,287</b>	<b>920,173</b>	<b>877,865</b>	<b>973,995</b>	<b>12,303,940</b>	<b>12,303,940</b>
<b>Commercial / Industrial Conservation Programs:</b>														
7. Commercial / Industrial Audit	53,022	78,539	93,530	56,386	56,737	55,959	56,104	87,230	56,413	64,796	55,851	57,253	771,820	771,820
8. HVAC Retrocommissioning	9,467	8,018	10,478	9,582	8,819	11,191	9,559	13,173	7,393	13,615	7,369	7,640	116,304	116,304
9. Commercial Building Efficiency	38,836	37,874	64,338	45,317	87,522	30,636	51,562	74,852	33,137	30,599	30,013	33,721	558,407	558,407
10. Commercial / Industrial Custom Incentive	12,961	13,985	16,660	14,602	16,605	14,604	16,098	16,590	10,665	16,610	9,621	10,114	169,115	169,115
<b>Subtotal</b>	<b>114,286</b>	<b>138,416</b>	<b>185,006</b>	<b>125,887</b>	<b>169,683</b>	<b>112,390</b>	<b>133,323</b>	<b>191,845</b>	<b>107,608</b>	<b>125,620</b>	<b>102,854</b>	<b>108,728</b>	<b>1,615,646</b>	<b>1,615,646</b>
<b>11. Residential Time of Use Rate Pilot</b>	5,518	5,518	5,940	5,541	5,541	5,541	5,541	5,941	5,541	5,542	5,542	5,543	67,250	67,250
<b>12. Conservation Demonstration and Development</b>	20,637	18,098	22,563	20,758	20,762	20,761	20,755	22,491	20,821	20,768	20,777	20,809	250,000	250,000
<b>13. Critical Peak Option</b>	22,936	22,936	22,936	22,936	22,936	22,936	22,936	22,936	22,936	22,936	22,936	22,936	275,226	275,226
<b>14. Total All Programs</b>	<b>1,073,716</b>	<b>1,177,420</b>	<b>1,484,800</b>	<b>1,268,918</b>	<b>1,197,877</b>	<b>1,214,039</b>	<b>1,127,883</b>	<b>1,591,197</b>	<b>1,119,194</b>	<b>1,095,039</b>	<b>1,029,974</b>	<b>1,132,005</b>	<b>14,512,062</b>	<b>14,512,062</b>
<b>15. Less: Base Rate Recovery</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>16. Net Program Costs</b>	<b>1,073,716</b>	<b>1,177,420</b>	<b>1,484,800</b>	<b>1,268,918</b>	<b>1,197,877</b>	<b>1,214,039</b>	<b>1,127,883</b>	<b>1,591,197</b>	<b>1,119,194</b>	<b>1,095,039</b>	<b>1,029,974</b>	<b>1,132,005</b>	<b>14,512,062</b>	<b>14,512,062</b>

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES  
Energy Select

For the Period: January, 2018 Through December, 2018

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)	117,886	118,081	118,469	118,664	136,766	154,868	155,062	155,257	155,451	137,738	120,025			1,344,810
2.	Depreciation Base	16,275,759	16,393,645	16,511,726	16,630,001	16,748,470	16,867,134	17,003,900	17,158,768	17,313,831	17,469,087	17,624,539	17,762,277	17,882,301	
3.	Depreciation Expense (A)	107,420	108,198	109,758	110,540	111,323	112,226	113,248	114,271	115,296	116,322	117,351	118,379	119,407	1,344,810
4.	Cumulative Plant in Service Additions	16,275,759	16,393,645	16,511,726	16,630,001	16,748,470	16,867,134	17,003,900	17,158,768	17,313,831	17,469,087	17,624,539	17,762,277	17,882,301	
5.	Salvage, Cost of Removal and Retirement		0	0	0	0	0	0	0	0	0	0	0	0	
6.	Less: Accumulated Depreciation	(7,666,816)	(7,559,396)	(7,451,198)	(7,342,221)	(7,232,463)	(7,121,923)	(7,010,600)	(6,898,374)	(6,785,126)	(6,670,855)	(6,555,559)	(6,439,237)	(6,322,006)	
7.	Net Plant in Service (Line 4 - 6)	23,942,575	23,953,042	23,962,924	23,972,222	23,980,933	23,989,057	24,014,500	24,057,142	24,098,957	24,139,943	24,180,998	24,201,514	24,204,307	
8.	Net Additions/Reductions to CWIP		0	0	0	0	0	0	0	0	0	0	0	0	
9.	CWIP Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
10.	Inventory	678,024	630,356	785,395	737,727	690,058	642,390	582,804	511,301	642,506	571,003	499,501	439,915	667,884	
11.	Net Investment (Line 7 + 9 + 10)	24,620,599	24,583,397	24,748,319	24,709,949	24,670,992	24,631,447	24,597,304	24,568,443	24,741,463	24,710,946	24,679,599	24,641,429	24,872,192	
12.	Average Net Investment		24,601,998	24,665,858	24,729,134	24,690,470	24,651,219	24,614,375	24,582,874	24,654,953	24,726,204	24,695,272	24,660,514	24,756,810	
13.	Rate of Return / 12 (Including Income Taxes) (B)		0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	
14.	Return Requirement on Average Net Investment		172,509	172,957	173,401	173,130	172,854	172,596	172,375	172,881	173,380	173,163	172,920	173,595	2,075,761
15.	Property Taxes		12,374	12,374	12,374	12,374	12,374	12,374	12,374	12,374	12,374	12,374	12,374	12,369	148,483
16.	Total Depreciation, Return and Property Taxes (Line 3+14+15)		292,303	293,529	294,752	295,262	295,768	296,293	296,975	298,503	300,025	300,833	301,616	303,195	3,569,054

Notes:  
(A) Energy Select Property Additions Depreciated at 7.9% per year.  
(B) Revenue Requirement Return (includes Income Taxes) is 8.4144%.

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
CONSERVATION PROGRAM NET COST  
January, 2017 Through June, 2017, Actual  
July, 2017 Through December 2017, Estimated

Actual	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Materials & Supplies	Other	Advertising	Incentives	Total Costs	Program Fees	Net Costs
<b>Residential Conservation Programs:</b>									
1.	Residential Energy Audit and Education								
a.	0.00	759,213.65	148,624.64	0.00	2,632.00	0.00	910,470.29	0.00	910,470.29
b.	0.00	759,214.00	148,625.00	0.00	300,000.00	0.00	1,207,839.00	0.00	1,207,839.00
c.	0.00	1,518,427.65	297,249.64	0.00	302,632.00	0.00	2,118,309.29	0.00	2,118,309.29
2.	Community Energy Saver								
a.	0.00	45,840.48	287,189.45	0.00	0.00	0.00	333,029.93	0.00	333,029.93
b.	0.00	45,840.00	381,301.55	0.00	0.00	0.00	427,141.55	0.00	427,141.55
c.	0.00	91,680.48	668,491.00	0.00	0.00	0.00	760,171.48	0.00	760,171.48
3.	Residential Custom Incentive								
a.	0.00	30,654.38	1,144.27	0.00	0.00	0.00	31,798.65	0.00	31,798.65
b.	0.00	30,654.00	1,144.00	0.00	0.00	0.00	31,798.00	0.00	31,798.00
c.	0.00	61,308.38	2,288.27	0.00	0.00	0.00	63,596.65	0.00	63,596.65
4.	HVAC Efficiency								
a.	0.00	149,292.78	309,211.80	0.00	14,014.98	88,926.00	561,445.56	0.00	561,445.56
b.	0.00	149,293.00	412,946.20	0.00	0.00	187,074.00	749,313.20	0.00	749,313.20
c.	0.00	298,585.78	722,158.00	0.00	14,014.98	276,000.00	1,310,758.76	0.00	1,310,758.76
5.	Residential Building Efficiency								
a.	0.00	146,519.35	(45,641.22)	0.00	0.00	97,876.00	198,754.13	0.00	198,754.13
b.	0.00	146,519.00	35,000.00	0.00	0.00	117,124.00	298,643.00	0.00	298,643.00
c.	0.00	293,038.35	(10,641.22)	0.00	0.00	215,000.00	497,397.13	0.00	497,397.13
6.	Energy Select								
a.	1,245,370.50	512,601.06	970,534.48	0.00	83,276.92	0.00	2,811,782.96	0.00	2,811,782.96
b.	1,304,801.48	512,601.00	868,534.00	0.00	216,723.08	0.00	2,902,659.56	0.00	2,902,659.56
c.	2,550,171.98	1,025,202.06	1,839,068.48	0.00	300,000.00	0.00	5,714,442.52	0.00	5,714,442.52
<b>Commercial / Industrial Conservation Programs:</b>									
7.	Commercial / Industrial Energy Audit								
a.	0.00	289,724.63	40,644.43	0.00	0.00	0.00	330,369.06	0.00	330,369.06
b.	0.00	289,725.00	40,644.00	0.00	0.00	0.00	330,369.00	0.00	330,369.00
c.	0.00	579,449.63	81,288.43	0.00	0.00	0.00	660,738.06	0.00	660,738.06
8.	HVAC Retrocommissioning								
a.	0.00	31,289.45	1,266.19	0.00	0.00	0.00	32,555.64	0.00	32,555.64
b.	0.00	31,289.00	1,266.00	0.00	0.00	25,000.00	57,555.00	0.00	57,555.00
c.	0.00	62,578.45	2,532.19	0.00	0.00	25,000.00	90,110.64	0.00	90,110.64

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
CONSERVATION PROGRAM NET COST  
January, 2017 Through June, 2017, Actual  
July, 2017 Through December 2017, Estimated

	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Materials & Supplies	Other	Advertising	Incentives	Total Costs	Program Fees	Net Costs
<b>Commercial / Industrial Conservation Programs Continued:</b>									
9. Commercial Building Efficiency									
a. Actual	0.00	167,770.64	(13,499.04)	0.00	0.00	20,315.50	174,587.10	0.00	174,587.10
b. Estimated July through December	0.00	167,771.00	40,000.00	0.00	0.00	10,000.00	217,771.00	0.00	217,771.00
c. Total	0.00	335,541.64	26,500.96	0.00	0.00	30,315.50	392,358.10	0.00	392,358.10
10. Commercial / Industrial Custom Incentive									
a. Actual	0.00	26,873.44	1,297.73	0.00	0.00	0.00	28,171.17	0.00	28,171.17
b. Estimated July through December	0.00	26,873.00	1,298.00	0.00	0.00	25,000.00	53,171.00	0.00	53,171.00
c. Total	0.00	53,746.44	2,595.73	0.00	0.00	25,000.00	81,342.17	0.00	81,342.17
11. Residential Time of Use Rate Pilot									
a. Actual	0.00	11,328.10	11,826.09	0.00	0.00	0.00	23,154.19	0.00	23,154.19
b. Estimated July through December	0.00	11,328.00	11,826.00	0.00	0.00	0.00	23,154.00	0.00	23,154.00
c. Total	0.00	22,656.10	23,652.09	0.00	0.00	0.00	46,308.19	0.00	46,308.19
12. Conservation Demonstration and Development:									
a. Tesla Powerwall Demand Response	0.00	3,089.48	1,954.16	0.00	0.00	0.00	5,043.64	0.00	5,043.64
b. Tesla Powerwall Demand Photovoltaic	0.00	3,089.48	3,272.00	0.00	0.00	0.00	6,361.48	0.00	6,361.48
c. Domestic Hot Water Analysis	0.00	3,089.48	246.58	0.00	0.00	0.00	3,336.06	0.00	3,336.06
d.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f. Total Actual	0.00	9,268.44	5,472.74	0.00	0.00	0.00	14,741.18	0.00	14,741.18
h. Estimated July through December	0.00	9,268.00	5,473.00	0.00	0.00	0.00	14,741.00	0.00	14,741.00
i. Total	0.00	18,536.44	10,945.74	0.00	0.00	0.00	29,482.18	0.00	29,482.18
13. Critical Peak Option									
a. Actual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Estimated July through December	0.00	10,000.00	501,187.00	0.00	0.00	0.00	511,187.00	0.00	511,187.00
c. Total	0.00	10,000.00	501,187.00	0.00	0.00	0.00	511,187.00	0.00	511,187.00
14. a. Actual	1,245,370.50	2,180,376.40	1,718,071.56	0.00	99,923.90	207,117.50	5,450,859.86	0.00	5,450,859.86
b. Estimated	1,304,801.48	2,190,375.00	2,449,244.75	0.00	516,723.08	364,198.00	6,825,342.31	0.00	6,825,342.31
15. Total All Programs	2,550,171.98	4,370,751.40	4,167,316.31	0.00	616,646.98	571,315.50	12,276,202.17	0.00	12,276,202.17

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
CONSERVATION PROGRAM COSTS (Exclusive of Program Fees)  
January, 2017 Through June, 2017, Actual  
July, 2017 Through December 2017, Estimated

	ACTUAL												ESTIMATED												TOTAL ACTUAL & ESTIMATED COSTS
	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL ACT	ADJ	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL EST										
<b>Residential Conservation Programs:</b>																									
1. Residential Energy Audit and Education	133,582.82	149,980.49	172,587.56	143,636.01	158,249.84	152,433.57	910,470.29	0.00	201,307.00	201,307.00	201,307.00	201,307.00	201,307.00	201,304.00	1,207,839.00	2,118,309.29									
2. Community Energy Saver	66,835.09	49,512.58	58,051.11	55,344.21	45,812.31	57,474.63	333,029.93	0.00	71,190.00	71,190.00	71,190.00	71,190.00	71,190.00	71,191.55	427,141.55	760,171.48									
3. Residential Custom Incentive	5,366.46	4,852.54	5,500.26	5,171.30	5,595.90	5,312.19	31,798.65	0.00	5,300.00	5,300.00	5,300.00	5,300.00	5,300.00	5,298.00	31,798.00	63,596.65									
4. HVAC Efficiency	78,352.93	111,353.36	95,647.40	76,334.59	109,198.25	90,559.03	561,445.56	0.00	124,886.00	124,886.00	124,886.00	124,886.00	124,886.00	124,883.20	749,313.20	1,310,758.76									
5. Residential Building Efficiency	40,037.81	34,007.00	65,523.38	44,334.77	32,702.20	(17,851.03)	198,754.13	0.00	49,774.00	49,774.00	49,774.00	49,774.00	49,774.00	49,773.00	298,643.00	497,397.13									
6. Energy Select	406,494.64	409,731.31	358,419.19	651,491.25	566,482.67	419,163.90	2,811,782.96	0.00	483,777.00	483,777.00	483,777.00	483,777.00	483,777.00	483,774.56	2,902,659.56	5,714,442.52									
<b>Commercial / Industrial Conservation Programs:</b>																									
7. Commercial / Industrial Energy Audit	55,894.31	51,063.03	53,313.11	57,552.05	54,080.36	58,466.20	330,369.06	0.00	55,062.00	55,062.00	55,062.00	55,062.00	55,062.00	55,059.00	330,369.00	660,738.06									
8. HVAC Retrocommissioning	5,337.69	5,179.93	5,644.39	5,286.12	5,707.24	5,420.27	32,555.64	0.00	9,593.00	9,593.00	9,593.00	9,593.00	9,593.00	9,590.00	57,555.00	90,110.64									
9. Commercial Building Efficiency	37,771.30	35,154.92	28,698.35	31,684.26	32,108.70	9,169.57	174,567.10	0.00	36,295.00	36,295.00	36,295.00	36,295.00	36,295.00	36,296.00	217,771.00	392,358.10									
10. Commercial / Industrial Custom Incentive	4,639.90	4,451.74	4,932.32	4,535.42	4,983.76	4,628.03	28,171.17	0.00	8,862.00	8,862.00	8,862.00	8,862.00	8,862.00	8,861.00	53,171.00	81,342.17									
11. Residential Time of Use Rate Pilot	2,231.83	2,040.73	10,749.27	1,986.48	4,109.22	2,036.66	23,154.19	0.00	3,859.00	3,859.00	3,859.00	3,859.00	3,859.00	3,859.00	23,154.00	46,308.19									
12. Conservation Demonstration and Development:																									
a. Tesla Powerwall Demand Response	558.78	2,222.15	596.20	541.76	565.29	559.46	5,043.64	0.00	2,457.00	2,457.00	2,457.00	2,457.00	2,457.00	2,456.00	14,741.00	29,482.18									
b. Tesla Powerwall Demand Photovoltaic	1,873.12	3,931.15	(1,129.13)	541.76	601.17	543.41	6,361.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
c. Domestic Hot Water Analysis	573.72	515.69	596.19	541.76	565.29	543.41	3,336.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
d.	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	0.00									
e.	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	0.00									
13. Critical Peak Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85,198.00	85,198.00	85,198.00	85,198.00	85,198.00	85,197.00	511,187.00	511,187.00									
14. Total All Programs	839,550.40	863,996.62	859,129.60	1,078,961.74	1,020,762.20	788,459.30	5,450,859.86	0.00	1,137,560.00	1,137,560.00	1,137,560.00	1,137,560.00	1,137,560.00	1,137,542.31	6,825,342.31	12,276,202.17									
15. Less: Base Rate Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
16. Net Recoverable Expenses	839,550.40	863,996.62	859,129.60	1,078,961.74	1,020,762.20	788,459.30	5,450,859.86	0.00	1,137,560.00	1,137,560.00	1,137,560.00	1,137,560.00	1,137,560.00	1,137,542.31	6,825,342.31	12,276,202.17									

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
ESTIMATED TRUE-UP

For the Period: January, 2017 through December, 2017

Conservation Revenues	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ESTIMATED JULY	ESTIMATED AUGUST	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL
1. Energy Select Program Revenues	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
2. Conservation Revenues	<u>1,039,507.52</u>	<u>918,715.46</u>	<u>1,087,080.00</u>	<u>1,089,569.55</u>	<u>1,385,178.41</u>	<u>1,438,808.76</u>	<u>1,802,087.41</u>	<u>1,780,501.14</u>	<u>1,547,472.05</u>	<u>1,269,052.15</u>	<u>1,119,753.72</u>	<u>1,255,403.95</u>	<u>15,733,130.11</u>
3. Total Revenues	1,039,507.52	918,715.46	1,087,080.00	1,089,569.55	1,385,178.41	1,438,808.76	1,802,087.41	1,780,501.14	1,547,472.05	1,269,052.15	1,119,753.72	1,255,403.95	15,733,130.11
4. Adjustment not Applicable to Period - Prior True Up	<u>(276,115.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(276,117.00)</u>	<u>(3,313,402.00)</u>
5. Conservation Revenues Applicable to Period	763,392.52	642,598.46	810,963.00	813,452.55	1,109,061.41	1,162,691.76	1,525,970.41	1,504,384.14	1,271,355.05	992,935.15	843,636.72	979,286.95	12,419,728.11
6. Conservation Expenses (Form C-3 Page 2 of 7)	<u>839,550.40</u>	<u>863,996.62</u>	<u>859,129.60</u>	<u>1,078,961.74</u>	<u>1,020,762.20</u>	<u>788,459.30</u>	<u>1,137,560.00</u>	<u>1,137,560.00</u>	<u>1,137,560.00</u>	<u>1,137,560.00</u>	<u>1,137,560.00</u>	<u>1,137,542.31</u>	<u>12,276,202.17</u>
7. True Up this Period (Line 5 minus Line 6)	(76,157.88)	(221,398.16)	(48,166.60)	(265,509.19)	88,299.21	374,232.46	388,410.41	366,824.14	133,795.05	(144,624.85)	(293,923.28)	(156,255.36)	143,525.94
8. Interest Provision this Period (C-3 Page 4 of 7, Line 10)	(2,119.33)	(1,931.20)	(2,119.31)	(2,326.54)	(2,199.80)	(2,039.88)	(1,580.66)	(993.72)	(520.83)	(277.67)	(226.76)	(181.94)	(16,517.64)
9. True Up & Interest Provision Beginning of Month	(3,583,812.66)	(3,385,974.87)	(3,333,187.23)	(3,107,356.14)	(3,099,074.87)	(2,736,858.46)	(2,088,548.88)	(1,425,602.13)	(783,654.71)	(374,263.49)	(243,049.01)	(261,082.05)	(3,583,812.66)
10. Prior True Up Collected or Refunded	<u>276,115.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>276,117.00</u>	<u>3,313,402.00</u>
11. End of Period- Net True Up	<u>(3,385,974.87)</u>	<u>(3,333,187.23)</u>	<u>(3,107,356.14)</u>	<u>(3,099,074.87)</u>	<u>(2,736,858.46)</u>	<u>(2,088,548.88)</u>	<u>(1,425,602.13)</u>	<u>(783,654.71)</u>	<u>(374,263.49)</u>	<u>(243,049.01)</u>	<u>(261,082.05)</u>	<u>(143,402.36)</u>	<u>(143,402.36)</u>

GULF POWER COMPANY  
ENERGY CONSERVATION CLAUSE  
INTEREST CALCULATION

For the Period: January, 2017 through December, 2017

Interest Provision	ACTUAL JAN	ACTUAL FEB	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ESTIMATED JULY	ESTIMATED AUGUST	ESTIMATED SEPTEMBER	ESTIMATED OCTOBER	ESTIMATED NOVEMBER	ESTIMATED DECEMBER	TOTAL
1. Beginning True up Amount	(3,583,812.66)	(3,385,974.87)	(3,333,187.23)	(3,107,356.14)	(3,099,074.87)	(2,736,858.46)	(2,088,548.88)	(1,425,602.13)	(783,654.71)	(374,263.49)	(243,049.01)	(261,082.05)	
2. Ending True up before Interest	(3,383,855.54)	(3,331,256.03)	(3,105,238.83)	(3,096,748.33)	(2,734,658.66)	(2,086,509.00)	(1,424,021.47)	(782,660.99)	(373,742.66)	(242,771.34)	(260,855.29)	(143,220.42)	
3. Total Beginning & Ending Balances	(6,967,668.20)	(6,717,230.90)	(6,438,424.06)	(6,204,104.47)	(5,833,733.53)	(4,823,367.46)	(3,512,570.35)	(2,208,263.12)	(1,157,397.38)	(617,034.84)	(503,904.31)	(404,302.47)	
4. Average True up Amount	(3,483,834.10)	(3,358,615.45)	(3,219,212.03)	(3,102,052.24)	(2,916,866.77)	(2,411,683.73)	(1,756,285.17)	(1,104,131.56)	(578,698.69)	(308,517.42)	(251,952.15)	(202,151.24)	
5. Interest Rate First Day Reporting Business Month	0.72	0.74	0.64	0.94	0.86	0.95	1.08	1.08	1.08	1.08	1.08	1.08	
6. Interest Rate First Day Subsequent Business Month	0.74	0.64	0.94	0.86	0.95	1.08	1.08	1.08	1.08	1.08	1.08	1.08	
7. Total of Lines 5 and 6	1.46	1.38	1.58	1.80	1.81	2.03	2.16	2.16	2.16	2.16	2.16	2.16	
8. Average Interest rate (50% of Line 7)	0.730	0.690	0.790	0.900	0.905	1.015	1.080	1.080	1.080	1.080	1.080	1.080	
9. Monthly Average Interest Rate Line 8 / 12 months	0.000608	0.000575	0.000658	0.000750	0.000754	0.000846	0.000900	0.000900	0.000900	0.000900	0.000900	0.000900	
10. Interest Provision (line 4 X 9)	(2,119.33)	(1,931.20)	(2,119.31)	(2,326.54)	(2,199.80)	(2,039.88)	(1,580.66)	(983.72)	(520.83)	(277.67)	(226.76)	(181.94)	(16,517.64)

GULF POWER COMPANY  
 ENERGY CONSERVATION CLAUSE  
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES  
 ENERGY SELECT

For the Period January, 2017 Through December, 2017

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	Investments Added to Plant in Service	86,808.76	87,539.11	100,201.78	278,547.13	54,241.58	59,630.77	134,627.42	134,821.83	135,016.24	135,210.65	135,405.06	135,599.47	
2	Depreciable Base	14,798,109.54	14,972,457.41	15,072,659.19	15,351,206.32	15,405,447.90	15,465,078.67	15,599,706.09	15,734,527.92	15,869,544.16	16,004,754.81	16,140,159.87	16,275,759.33	
3	Depreciation Expense (A)	34,035.65	34,235.31	34,436.65	34,667.12	35,307.77	35,432.53	35,569.68	35,879.32	36,189.41	36,499.95	36,810.94	37,122.37	426,186.70
4	Cumulative Plant in Service Additions	14,864,918.30	14,972,457.41	15,072,659.19	15,351,206.32	15,405,447.90	15,465,078.67	15,599,706.09	15,734,527.92	15,869,544.16	16,004,754.81	16,140,159.87	16,275,759.33	
5	Salvage, Cost of Removal and Retirement	(6,271.03)	(1,924.73)	19,410.48	(13,181.62)	(3,340.19)	10,600.14	-	-	-	-	-	-	
6	Less: Accumulated Depreciation	(8,098,295.91)	(8,036,220.71)	(7,984,373.56)	(7,962,888.08)	(7,930,920.50)	(7,884,887.83)	(7,849,318.15)	(7,813,438.83)	(7,777,249.42)	(7,740,749.47)	(7,703,938.53)	(7,666,816.16)	
7	Net Plant in Service (Line 4 - 6)	22,965,449.59	23,010,678.12	23,057,032.77	23,314,084.40	23,336,368.40	23,349,966.50	23,449,024.24	23,547,966.75	23,646,793.58	23,745,504.28	23,844,098.40	23,942,575.49	
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	
10	Inventory	581,105.07	570,634.43	480,010.89	434,326.65	418,085.95	490,262.48	405,466.69	606,797.01	547,211.33	671,905.65	612,319.97	678,024.29	
11	Net Investment	23,477,510.52	23,526,084.02	23,537,043.66	23,748,421.05	23,754,454.35	23,840,228.98	23,854,490.93	24,154,763.76	24,194,004.91	24,417,409.93	24,456,418.37	24,620,599.78	
12	Average Net Investment	23,501,797.27	23,543,388.37	23,548,888.19	23,642,732.36	23,751,437.70	23,797,341.67	23,847,359.96	24,004,627.35	24,174,384.34	24,305,707.42	24,436,914.15	24,538,509.07	
13	Rate of Return / 12 (B)	0.006661	0.006661	0.006661	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	0.007012	
14	Return Requirement on Average Net Investment	156,545.47	156,822.51	156,859.01	165,782.84	166,545.08	166,866.96	167,217.69	168,320.45	169,510.78	170,431.62	171,351.64	172,064.03	1,988,318.08
15	Property Tax	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	11,305.60	135,667.20
16	Total Depreciation, Prop Taxes & Return (Line 3 + 14 + 15)	201,886.72	202,363.42	202,601.26	211,755.56	213,158.45	213,605.09	214,092.97	215,505.37	217,005.79	218,237.17	219,468.18	220,492.00	2,550,171.98

Notes:

(A) Energy Select Property Additions Depreciated at 2.7 % per year.

(B) Revenue Requirement Return (includes Income Taxes) is: Jan - Mar 7.9932%; Apr - Jun 8.4144%; Jul - Dec 8.4144%.

Schedule C-4  
Page 1 of 1

GULF POWER COMPANY  
CALCULATION OF CONSERVATION REVENUES  
For the Period: July, 2017 Through December, 2017

	<u>Month</u>	<u>Projected MWH Sales</u>	<u>Rate (Avg Cents/KWH)</u>	<u>Clause Revenue Net of Revenue Taxes ( \$ )</u>
1.	07/2017	1,172,314	0.15372054	1,802,087.41
2.	08/2017	1,159,478	0.15356058	1,780,501.14
3.	09/2017	1,009,470	0.15329550	1,547,472.05
4.	10/2017	832,041	0.15252279	1,269,052.15
5.	11/2017	734,927	0.15236258	1,119,753.72
6.	12/2017	819,293	0.15323016	1,255,403.95

## Program Description and Progress

Program Title: Residential Energy Audit and Education

Program Description: This program is the primary educational program to help customers improve the energy efficiency of their new or existing home by providing energy conservation advice and information that encourages the implementation of efficiency measures and behaviors resulting in energy and utility bill savings.

Program Projections: Expenses of \$2,014,402 are projected for this program in 2018 as detailed in Schedule C-2. In 2018, this program includes two measurable areas of focus:

- Energy Audit – During the recovery period, 8,400 participants are projected as reflected in the 2015 DSM Plan. A Gulf Power representative will conduct an on-site audit of a customer's home, or they may opt to participate in either a mail-in or on-line, interactive version of the audit. Regardless of the method, the customer is provided with specific recommendations including available incentives and other alternatives to facilitate implementation.
- School-based Awareness and Education – This program provides science-based energy-related curricula and training to science teachers in Gulf's service area. As a result of these efforts, during the recovery period, approximately 5,000 students will be reached.

Program Accomplishments:

- Energy Audit – Year to date 2017, Gulf performed 3,152 energy audits compared to a year to date projection of 4,200 or 1,048 under the projection. Of these, 662 were online, 495 were on-site and 1,995 were new construction audits. The total projection for 2017 is 6,300 energy audits.
- School-based Awareness and Education
  - Gulf provided professional development in energy-related science and math for 56 elementary, middle and high school teachers who reach an estimated 2,720 students daily. These teachers received continuing education credits as well as hands-on energy, efficiency and renewable energy classroom materials and curriculum.
  - Gulf provided workshops, materials and/or instructors for student summer and afterschool camps in STEM (Science Technology Engineering Math) in partnerships that reached 820 students:

Schedule C-5  
Page 2 of 18

- FSU Panama City STEM Institute's Summer Camp program that reached approximately 300 eighth through tenth grade students in Bay County;
  - Bay County School District Twenty first Century Community Learning Center initiative that reached 240 fourth, fifth and sixth grade students;
  - Northwest Florida State College Kids on Campus summer program reached 210 third through eighth grade students;
  - Florida Panhandle Technical College and Washington County School District afterschool STEM program that reached 100 fifth through 8<sup>th</sup> grade students.
- Gulf coordinated monthly activities with student energy teams at six schools, measuring energy use at the school and creating a plan to use energy wisely at school and home. Total student reach is 180 students directly.
  - Gulf continued to provide classroom demonstrations and hands-on energy-related activities in schools on a monthly basis reaching nearly 500 students. Also, Gulf continued to provide energy-related onsite and material support for two hands-on interactive science museums which each average 100 attendees daily throughout the year.

Total direct reach was 4,250 students and 62 teachers.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$1,187,256 compared to actual expenses of \$910,470 resulting in a difference of \$276,786 or 23% under budget.

Program Progress Summary: Since the approval of this program, Gulf Power has performed a total of 232,643 energy audits.

### Program Description and Progress

Program Title: Community Energy Saver Program

Program Description: This program assists low-income families with managing their energy costs. Through this program, qualifying customers receive the direct installation of conservation measures at no cost to them. The program also educates families on energy efficiency techniques and behavioral changes to help control their energy use and reduce their electricity expenses.

Program Projections: For the period January 2018 through December 2018, the Company expects to implement the efficiency measures included in this program for 2,500 eligible residential customers as reflected in the 2015 DSM Plan. Expenses of \$841,845 are projected for this program in 2018 as detailed in Schedule C-2.

Program Accomplishments: Through June 2017, 1,218 of Gulf's customers received the measures included in this program, compared to a year to date projection of 1,250. The total projection for 2017 is 2,500 participants.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$427,282 compared to actual expenses of \$333,030 resulting in a difference of \$94,252 or 22% under budget.

Program Progress Summary: A total of 16,223 customers have received the efficiency measures included in the Community Energy Saver program since the program's launch in 2011.

### Program Description and Progress

Program Title: Residential Custom Incentive Program

Program Description: This program is designed to increase energy efficiency in the residential rental property sector. This program promotes the installation of various energy efficiency measures available through other programs, such as HVAC maintenance and quality installation, high performance windows, reflective roofing and Energy Star window A/Cs. Additional incentives will be included, as appropriate, to overcome the split-incentive barrier which exists in a landlord/renter situation. Moreover, this program promotes the installation of measures included in the Community Energy Saver Program by the landlord of multi-family properties.

Program Projections: Due to the custom nature of this program, specific participant projections are not made for the period January 2018 through December 2018. Expenses of \$146,267 are projected for this program in 2018 as detailed in Schedule C-2.

Program Accomplishments: As of June, no participants have enrolled during 2017 in this program. While there are no participants recorded this year, Gulf continues to promote the availability of this program to landlords and property managers in the rental property sector. While participation in this program to date has been low, discussions with landlords and property managers have often resulted in these customers taking advantage of other DSM program offerings such as Gulf's HVAC Efficiency program.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$62,984 compared to actual expenses of \$31,799 resulting in a difference of \$31,185 or 50% under budget.

Program Progress Summary: Since its launch in 2011, one customer enrollment has been recorded in the Residential Custom Incentive program.

Program Description and Progress

Program Title: HVAC Efficiency Improvement Program

Program Description: This program is designed to increase energy efficiency and improve HVAC cooling system performance for new and existing homes. These efficiencies are realized through:

- HVAC maintenance
- Duct repair
- HVAC Quality Installation

Program Projections: Expenses of \$1,587,691 are projected for this program in 2018 as detailed in Schedule C-2. For the period January 2018 through December 2018, the Company projects the following participation in this program as reflected in the 2015 DSM Plan:

<b>Measure</b>	<b>Projected Participation</b>
HVAC maintenance	3,200
Duct repair	500
HVAC Quality Installation	2,500

Program Accomplishments: Actual participation (through June 2017) and the 2017 year end projected participation are shown in the following table:

<b>Measure</b>	<b>2017 YTD Actual Participation</b>	<b>2017 Year End Projection</b>
HVAC maintenance	2,028	3,000
Duct repair	357	500
HVAC Quality Installation	351	875

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$709,201 compared to actual expenses of \$561,446 resulting in a difference of \$147,755 or 21% under budget.

Program Progress Summary: Since its launch in 2011, the following participation has been achieved:

<b>Measure</b>	<b>Program to Date Actual Participation</b>
HVAC maintenance	38,543
Duct repair	21,720
HVAC Quality Installation	918

Program Description and Progress

Program Title: Residential Building Efficiency Program

Program Description: The Residential Building Efficiency Program is designed as an umbrella efficiency program for existing and new residential customers to encourage the installation of eligible equipment and materials as a means of reducing energy and demand. The goals of the program are to increase awareness and customer demand for energy saving measures; to increase availability and market penetration; and to contribute toward long-term energy savings and peak demand reductions.

- High Performance Windows
- Reflective Roof
- ENERGY STAR Window A/C

Program Projections: Expenses of \$647,645 are projected for this program in 2018 as detailed in Schedule C-2. For the period January 2018 through December 2018, the Company projects the following participation in this program as reflected in the 2015 DSM Plan:

<b>Measure</b>	<b>Projected Participation</b>
High Performance Windows	500
Reflective Roof	250
ENERGY STAR Window A/C	200

Program Accomplishments: Actual participation (through June 2017) and the 2017 year end projected participation are shown in the following table:

<b>Measure</b>	<b>2017 YTD Actual Participation</b>	<b>2017 Year End Projection</b>
High Performance Windows	172	340
Reflective Roof	120	240
ENERGY STAR Window A/C	2	10

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$281,048 compared to actual expenses of \$198,754 resulting in a difference of \$82,294 or 29% under budget.

Program Progress Summary: Since its launch in 2011, the following participation has been achieved:

<b>Measure</b>	<b>Program to Date Actual Participation</b>
High Performance Windows	4,886
Reflective Roof	1,518
ENERGY STAR Window A/C	816

### Program Description and Progress

Program Title: Energy *Select*

Program Description: The overall program is designed to provide customers with a means of controlling their energy purchases by conveniently programming their heating and cooling systems and major appliances, such as electric water heaters and pool pumps, to respond automatically 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 2018 projection period, Gulf Power projects to have 1,600 net additions as reflected in the 2015 DSM Plan. The program expenses are expected to be \$7,066,090 as detailed in Schedule C-2.

Program Accomplishments: For the period January through June 2017, 637 net new participants were added to the Energy *Select* program compared to a year to date projection of 800. The total projection for 2017 is 1,600 net new participants.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$3,175,072 compared to actual expenses of \$2,811,783 resulting in a difference of \$363,289 or 11% under budget.

Program Progress Summary: As of June 2017, there are 18,357 participating customers.

### Program Description and Progress

Program Title: Commercial/Industrial Audit

Program Description: This program is designed to provide professional advice to Gulf's 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. Customers may participate by requesting a basic Energy Analysis Audit (EAA) provided through either an on-site survey or an on-line survey. A more comprehensive analysis can be provided by conducting a Technical Assistance Audit (TAA).

Program Projections: For the period January 2018 through December 2018, the Company expects to conduct 500 audits as reflected in the 2015 DSM Plan and incur expenses totaling \$771,820.

Program Accomplishments: During the January 2017 through June 2017 period, actual results were 131 audits compared to a year to date projection of 250. The total projection for 2017 is 260 audits.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$432,559 compared to actual expenses of \$330,369 resulting in a difference of \$102,190 or 24% under budget.

Program Progress Summary: A total of 22,845 audits have been completed since the program's inception.

### Program Description and Progress

Program Title: Commercial HVAC Retrocommissioning Program

Program Description: This program offers basic retrocommissioning at a reduced cost for qualifying installations of existing commercial and industrial customers. It is designed to diagnose the performance of the HVAC cooling unit(s) operating in commercial buildings with the support of an independent computerized quality control process and to make improvements to the system to bring it to full efficiency. This program includes air cooled and water cooled equipment – identified as A/C, heat pump, direct expansion (DX) or geothermal cooling and heating.

Program Projections: For the period January 2018 through December 2018, the Company expects 250 program participants as reflected in the 2015 DSM Plan. Expenses of \$116,304 are projected for this program in 2018 as detailed in Schedule C-2.

Program Accomplishments: During the period January 2017 through June 2017, 96 customers have participated in this program compared to a year to date projection of 125. The total projection for 2017 is 250 participants.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$59,231 compared to actual expenses of \$32,556 resulting in a difference of \$26,675 or 45% under budget.

Program Progress Summary: Since its launch in 2011, 1,108 customers have participated in this program.

Program Description and Progress

Program Title: Commercial Building Efficiency Program

Program Description: This program is designed as an umbrella efficiency program for existing commercial and industrial customers to encourage the installation of eligible high-efficiency equipment as a means of reducing energy and demand. The goals of the program are to increase awareness and customer demand for high-efficiency, energy-saving equipment; increase availability and market penetration of energy efficient equipment; and contribute toward long-term energy savings and peak demand reductions. These goals will be accomplished through commercial geothermal heat pumps, ceiling/roof insulation, and reflective roofs.

Program Projections: Expenses of \$558,407 are projected for this program in 2018 as detailed in Schedule C-2.

For the period January 2018 through December 2018, the Company expects to implement the efficiency measures included in this program as reflected in the 2015 DSM Plan:

<b>Program</b>	<b>Annual Projections (2018)</b>
Commercial Geothermal Heat Pump	140 tons of installed Geothermal HVAC
Ceiling/Roof Insulation	300,000 square feet of installed insulation
Commercial Reflective Roof	800,000 square feet of installed reflective roof

Program Accomplishments: During the period January – June 2017, the measures in this program have had the following participation as compared to year to date projected participation:

<b>Program</b>	<b>Actual Participation (January - June 2017)</b>	<b>Projected YTD Participation (through June 2017)</b>
Commercial Geothermal Heat Pump	0 tons of installed Geothermal HVAC	65 tons of installed Geothermal HVAC
Ceiling/Roof Insulation	16,660 square feet of installed insulation	137,500 square feet of installed insulation
Commercial Reflective Roof	26,606 square feet of installed reflective roof	400,000 square feet of installed reflective roof

Total projection for 2017 is as follows:

<b>Program</b>	<b>Annual Projections (2017)</b>
Commercial Geothermal Heat Pump	20 tons of installed Geothermal HVAC
Ceiling/Roof Insulation	32,000 square feet of installed insulation
Commercial Reflective Roof	52,000 square feet of installed reflective roof

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$324,490 compared to actual expenses of \$174,587 resulting in a difference of \$149,903 or 46% under budget.

Program Progress Summary: Since its launch in 2011, customer participation is shown in the table below.

<b>Program</b>	<b>Actual Participation (Program to Date)</b>
Commercial Geothermal Heat Pump	578 tons of installed Geothermal HVAC
Ceiling/Roof Insulation	364,918 square feet of installed insulation
Commercial Reflective Roof	3,300,960 square feet of installed reflective roof

### Program Description and Progress

Program Title: Commercial/Industrial Custom Incentive

Program Description: This program is designed to establish the capability and process to offer advanced energy services and energy efficient end-user equipment to Commercial/Industrial customers. These energy services include comprehensive audits, design, and construction of energy conservation projects. Specifically, projects covered under this program would be demand reduction or efficiency improvement retrofits that are beyond the scope of other programs.

Program Projections: For the period January 2018 through December 2018, the Company expects at the meter reductions of 200,000 kWh, 65 winter kW and 65 summer kW resulting from this program as reflected in the 2015 DSM Plan. Expenses of \$169,115 are projected for this program in 2018 as detailed in Schedule C-2.

Program Accomplishments: From January 2017 through June 2017, Gulf has evaluated several projects for potential inclusion in this program. Through June, no savings have been reported in the program. Gulf projects 1,700,000 kWh (energy), 600 winter kW (demand) and 600 summer kW (demand) to be reported in the program by the end of 2017.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$67,972 compared to actual expenses of \$28,171 resulting in a difference of \$39,801 or 59% under budget.

Program Progress Summary: Since its launch in 2011, 15 customers have participated in the Commercial/Industrial Custom Incentive program resulting in at the meter reductions of 7,070,333 kWh (energy), 741 winter kW (demand) and 1,151 summer kW (demand).

### Program Description and Progress

Program Title: Critical Peak Option (CPO)

Program Description: This program offers customers on Gulf Power's Large Power Time of Use (LPT) rate schedule an option to receive credits for capacity that can be reduced during peak load conditions (critical peak events). The program provides a fixed, per KW credit for measured On-Peak Demand and a Critical Peak Demand Charge for any measured demand recorded during a called critical peak event.

Program Projections: For the period January 2018 through December 2018, the Company expects 24 program participants. Expenses of \$275,226 are projected for this program in 2018 as detailed in Schedule C-2.

Program Accomplishments: This program began July 1, 2017 thus no participants are recorded for the period January through June 2017. The total projection for 2017 is 25 participants.

Program Fiscal Expenditures: There were no program expenditures January through June 2017.

Program Progress Summary: This program became a part of Gulf's DSM Plan effective July 1, 2017 pursuant to Gulf's Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-17-0178-S-EI dated May 16, 2017.

### Program Description and Progress

Program Title: Residential Service Time of Use Pilot Program

Program Description: The Residential Service Time of Use (RSTOU) rate pilot provides residential customers the opportunity to use customer-owned equipment to respond automatically and take advantage of a variable pricing structure with a critical peak credit component. In order to control program expenses and facilitate monitoring and evaluation, the pilot is limited to a maximum of 400 residential customers who meet the program standards. In order to further encourage customers to utilize a qualifying Wi-Fi enabled thermostat, the RSTOU pilot offers customers a per event credit for allowing their thermostat to automatically adjust the HVAC equipment settings during a critical event period. This option puts the customer in complete control of their energy purchase without utility owned equipment. The objective of this pilot is to measure customer's response to a variable price rate with customer owned equipment. Customers have an opportunity for additional savings by shifting energy purchases to the lower priced periods, while providing peak demand reduction during the high and critical periods.

Program Projections: Expenses of \$67,250 are projected for this program in 2018 as detailed in Schedule C-2.

Program Accomplishments: As of June 2017, there are 330 customers participating in this program. This program was projected to start in the fall of 2015, however, due to program development delays, the program launch was shifted to February 2016.

Program Fiscal Expenditures: Projected expenses for January through June 2017 were \$33,626 compared to actual expenses of \$23,154 resulting in a difference of \$10,472 or 31% under budget.

Program Progress Summary: Since its launch in February 2016, 330 customers have participated in this program.

## 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:

### **Tesla Powerwall Demand Response (DR)**

Modern-day battery storage provided by Tesla may be able to improve the effectiveness of current “Demand Response” programs. Demand response not only refers to *load shedding* but now also includes *load shifting*.

The Powerwall DR CDD Project evaluates the impact of:

1. *Load Shifting:* Battery storage’s ability to maximize the impact of TOU rates by charging during off-peak/low periods and discharging during on-peak/medium-high periods
2. *Peak Reduction:* Battery storage’s ability to be dispatched at specific times (critical peak events) to supplement the demand response capability of Energy Select.

Data monitoring will be used to assess the impact of battery storage in terms of performance, reliability, economic return on investment, from the perspective of the customer and the utility.

Tesla’s daily cycle 6.4kWh Powerwall will be interconnected to a SolarEdge StorEdge inverter and existing Energy Select equipment. TOU times and critical peak dispatches will be accessed through the inverter’s internal controls. Third parties have been contracted to install the equipment, monitor the various outputs of the system, compile the data for further analysis and provide a final report on the project by year-end 2017.

### **Tesla Powerwall Demand Photovoltaic (PV)**

Modern-day battery storage provided by Tesla may be able to overcome two of the typical shortcomings of grid-tied solar photovoltaics: the limited “daytime” periods of generation and the intermittency of output (due to shade or cloud cover).

The Powerwall PV CDD Project evaluates the impact of:

1. *Solar Shifting*: Battery storage's impact on peak demand by charging during the normal PV generation period and discharging during on-peak/medium-high periods.
2. *Solar Smoothing*: Battery storage's ability to stabilize the PV output during adverse weather conditions / cloud cover or shading caused by obstructions.

Data monitoring will be used to assess the impact of battery storage in terms of performance, reliability, economic return on investment, from the perspective of the customer and the utility.

Tesla's daily cycle 6.4kWh Powerwall will be interconnected to a SolarEdge StorEdge inverter and a retrofitted/existing 5kW photovoltaic installation. Charge and discharge time periods will be programmed within the inverter's internal controls. Third parties have been contracted to install the equipment, monitor the various outputs of the system, compile the data for further analysis and provide a final report on the project by year-end 2017.

### **Domestic Hot Water Analysis**

This project aims to address an underserved area of the heat pump water heating market: small commercial buildings. Specific focus will be paid to the food service industry due to their potential for large domestic hot water usage. These building types are too small and cannot handle the capital intensity of large, engineered heat pump water heating systems; and it is unknown if their usage patterns could be supported by an integrated, residential-sized heat pump water heater. Thus, this project's objectives are as follows:

- Identify customers for participation in this study: Fast food, sandwich shops, cafeteria-style eateries, convenience stores, small laundries, and salons
- Obtain permission from each site owner to install monitoring systems.
- Collect number of and type of hot water end uses at each site.
- Install field monitoring on 20 small commercial building types .
- Collect up to two months of hot water usage data at each site.
- Analyze the collected data to develop usage patterns for each site.
- Produce a final report including recommendations to manufacturers on optimal approaches to the small commercial heat pump water heater market.

Collected data will be used to produce daily water consumption load shapes for each site type. This data will then be analyzed to make recommendations on ideal heat pump water heater technology needs to serve this market. The data will be shared with interested manufacturers to inform their product development planning processes with the intention of influencing the production of applicable heat pump water heaters for the small commercial market.

### **Eaton Smart Breaker Test**

This test will evaluate the potential demand limiting or reduction capabilities and techniques of Eaton's "smart circuit breaker" which has remote control and advanced metering built into the circuit breaker. A secondary goal is to identify use cases that will improve energy efficiency in a connected home environment.

The research data from this project will provide information on how to design a program within the connected home space. These devices will potentially be coupled with other platforms to enhance demand response and energy efficiency controls.

Program Fiscal Expenditures: Program expenses were forecasted at \$123,512 for the period January through June 2017 compared to actual expenses of \$14,741 for a deviation of \$108,771 or 88% under budget. Actual project expenses were as follows: Tesla Powerwall Demand Response, \$5,044; Tesla Powerwall Demand Photovoltaic, \$6,361; Domestic Hot Water Analysis, \$3,336.

**RESIDENTIAL SERVICE  
2018 Variable Pricing (RSVP) and  
Time of Use (RSTOU) Rates  
Cents Per KWH**

**ECCR**

<u>Rate Tier</u>	<u>RSVP</u>
P4	68.008
P3	7.772
P2	(0.952)
P1	(3.000)

<u>Rate Tier</u>	<u>RSTOU</u>
On-Peak	17.250
Off-Peak	(3.205)



Section No. VI  
~~First~~Second Revised Sheet No. 6.98  
Canceling ~~Original~~First Sheet No.  
6.98

**Rate Schedule RSTOU  
RESIDENTIAL SERVICE – TIME-OF-USE  
Limited Availability Experimental Rate**

<b>PAGE</b> 1 of 3	<b>EFFECTIVE DATE</b> <del>July 1, 2017</del>
-----------------------	--

**AVAILABILITY:**

Available to customers eligible for Rate Schedule RS (Residential Service). Availability is further limited to those customers selected by Gulf Power which are willing to participate in, and which meet the standards of the Company's RSTOU pilot rate study.

Service under this rate schedule shall terminate on December 31, ~~2017~~2020 unless extended by order of the Florida Public Service Commission.

**APPLICABILITY:**

Applicable as an alternative to Rate Schedule RS for service used for domestic purposes and electric vehicle charging at an individually metered dwelling unit suitable for year-round family occupancy containing full kitchen facilities. Service provided hereunder shall not be shared with or resold to others.

**CHARACTER OF SERVICE:**

Available for single-phase service from local distribution lines of the Company's system at nominal secondary voltage of 120/240 volts. Service shall be metered through one metering device capable of measuring electrical consumption during the various times each energy-demand charge is in effect.

**RATES:**

Base Charge:	65¢ per day
Energy-Demand Charge:	
On-Peak Period	5.181¢ per kWh
Off-Peak Period	5.181¢ per kWh

**ISSUED BY:** S. W. Connally, Jr.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Energy Conservation Cost** )  
**Recovery Clause** )

Docket No.: 20170002-EG

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 18th day of August, 2017 to the following:

Ausley Law Firm  
James D. Beasley  
J. Jeffrey Wahlen  
Post Office Box 391  
Tallahassee, FL 32302  
[jbeasley@ausley.com](mailto:jbeasley@ausley.com)  
[jwahlen@ausley.com](mailto:jwahlen@ausley.com)

PCS Phosphate – White Springs  
c/o Stone Mattheis Xenopoulos  
& Brew, P.C.  
James W. Brew/Laura A. Wynn  
Eighth Floor, West Tower  
1025 Thomas Jefferson St, NW  
Washington, DC 20007  
[jbrew@smxblaw.com](mailto:jbrew@smxblaw.com)  
[law@smxblaw.com](mailto:law@smxblaw.com)

Florida Industrial Power Users Group  
c/o Moyle Law Firm  
Jon C. Moyle, Jr.  
118 North Gadsden Street  
Tallahassee, FL 32301  
[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)

Florida Power & Light Company  
Kenneth M. Rubin  
John T. Butler  
Maria J. Moncada  
700 Universe Boulevard (LAW/JB)  
Juno Beach, FL 33408-0420  
[ken.rubin@fpl.com](mailto:ken.rubin@fpl.com)  
[John.Butler@fpl.com](mailto:John.Butler@fpl.com)  
[maria.moncada@fpl.com](mailto:maria.moncada@fpl.com)

Florida Power & Light Company  
Kenneth Hoffman  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301-1858  
[Ken.Hoffman@fpl.com](mailto:Ken.Hoffman@fpl.com)

Florida Public Utilities Company  
Florida Division of Chesapeake  
Utilities Corp  
Mike Cassel, Director  
Regulatory and Governmental Affairs  
1750 SW 14<sup>th</sup> Street, Suite 200  
Fernandina Beach, FL 32034  
[mcassel@fpuc.com](mailto:mcassel@fpuc.com)

Gunster Law Firm  
Beth Keating  
215 South Monroe Street, Suite 601  
Tallahassee, FL 32301-1839  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

Office of the General Counsel  
Kelley Corbari  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850  
[kcorbari@psc.state.fl.us](mailto:kcorbari@psc.state.fl.us)

Tampa Electric Company  
Ms. Paula K. Brown, Manager  
Regulatory Coordination  
P. O. Box 111  
Tampa, FL 33601-0111  
[Regdept@tecoenergy.com](mailto:Regdept@tecoenergy.com)

Duke Energy Florida  
John T. Burnett  
Dianne M. Triplett  
299 First Avenue North  
St. Petersburg, FL 33701  
[Dianne.triplett@duke-energy.com](mailto:Dianne.triplett@duke-energy.com)  
[John.burnett@duke-energy.com](mailto:John.burnett@duke-energy.com)

Office of Public Counsel  
J. Kelly/C. Rehwinkel/P.  
Christensen  
c/o The Florida Legislature  
111 W. Madison Street, Room 812  
Tallahassee, FL 32399-1400  
[Christensen.patty@leg.state.fl.us](mailto:Christensen.patty@leg.state.fl.us)  
[Sayler.erik.leg.state.fl.us](mailto:Sayler.erik.leg.state.fl.us)

Duke Energy Florida, Inc.  
Matthew R. Bernier  
Cameron Cooper  
106 East College Avenue,  
Suite 800  
Tallahassee, FL 32301-7740  
[Matthew.bernier@duke-energy.com](mailto:Matthew.bernier@duke-energy.com)  
[Cameron.Cooper@duke-energy.com](mailto:Cameron.Cooper@duke-energy.com)



---

**JEFFREY A. STONE**  
**General Counsel**  
Florida Bar No. 325953  
[jastone@southernco.com](mailto:jastone@southernco.com)  
**Gulf Power Company**  
One Energy Place  
Pensacola, FL 32520-0100  
(850) 444-6550

**RUSSELL A. BADDERS**  
Florida Bar No. 007455  
[rab@beggslane.com](mailto:rab@beggslane.com)  
**STEVEN R. GRIFFIN**  
Florida Bar No. 0627569  
[srg@beggslane.com](mailto:srg@beggslane.com)  
**Beggs & Lane**  
P. O. Box 12950  
Pensacola FL 32591-2950  
(850) 432-2451  
**Attorneys for Gulf Power**