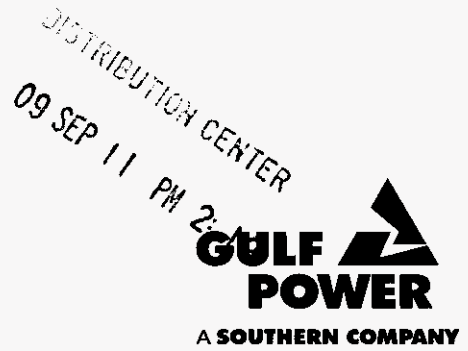


Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
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SDRITENO@southernco.com



September 10, 2009

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

RECEIVED-FPSC
09 SEP 11 PM 3:11
COMMISSION
CLERK

Dear Ms. Cole:

RE: Docket No. 090002-EG

Enclosed to be filed in the above docket are an original and 15 copies of the following:

1. The Petition of Gulf Power Company.
2. The Prepared Direct Testimony and Exhibit of John N. Floyd.

Also enclosed is a CD containing the Petition in Microsoft Word for Windows format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour

CHM 5 mr
ECR 10 Enclosures
VPL
CPC
RFP 1
S.C.
SGA
ADM
CLK 1

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

DOCUMENT NUMBER-DATE

09435 SEP 11 09

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)

) Docket No.: 090002-EG

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this 10th of September, 2009, on the following:

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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
) Docket No.: 090002-EG
) Filed: September 10, 2009
)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
THE FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR JANUARY 2008 THROUGH DECEMBER 2008;
ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR JANUARY 2009 THROUGH DECEMBER 2009;
PROJECTED CONSERVATION COST RECOVERY AMOUNTS
FOR JANUARY 2010 THROUGH DECEMBER 2010;
AND THE CONSERVATION COST RECOVERY FACTORS TO BE APPLIED
BEGINNING WITH THE PERIOD JANUARY 2010 THROUGH DECEMBER 2010**

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

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Russell A. Badders
Steven R. Griffin
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591

Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and pursuant to section 366.82(5), 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 2008 through December 2008; for approval of its estimated energy conservation true-up amounts for the period January 2009 through December 2009; for approval of the projected energy conservation amounts for the period January 2010 through December 2010; and for approval of the proposed

energy conservation cost recovery factors to be applied beginning with the period January 2010 through December 2010. 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 2009 and the testimony and exhibit of John N. Floyd filed concurrently with this Petition.¹ Mr. Floyd's composite exhibits present reports of Gulf's various programs and incorporate the appropriate and necessary data and information to show the energy conservation cost calculations projected for the period January 2010 through December 2010 and the appropriate true-up adjustment to be applied based on actual data through July 2009 and estimated data for the remainder of the period through December 2009.

4. The "final conservation cost recovery true-up amounts" were filed with the Commission in May 2009 as shown on Schedule CT-1. The final true-up amount for the period January 2008 through December 2008, as presented in the testimony and exhibit of John N.

¹ The composite exhibit attached to Mr. Floyd's May 2009 testimony contains the Company's CT schedules for the twelve month period ending December 2008. The composite exhibit attached to Mr. Floyd's September 2009 testimony contains the Company's C schedules for the twelve month period ending December 2010 and includes data

Floyd filed in May 2009, is an over recovery of \$2,911,666 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 2009 to be an under recovery of \$375,194. This 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 \$11,472,661 for its approved and pending² conservation programs during the twelve month period beginning January 2010 and ending December 2010.

7. Gulf projects that its retail energy sales during the period January 2010 through December 2010 will be 11,240,617,000 kilowatt hours (kWh).

8. On the basis of the final true-up for the period January 2008 through December 2008, the estimated true-up for the period January 2009 through December 2009, the cost projections for the period January 2010 through December 2010, 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 2010 through December 2010 are as follows:

related to the current period January through July 2009, actual and August through December 2009, estimated.

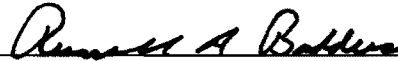
² In Order No. PSC-08-0802-PAA-EG issued on December 3, 2008, the Commission approved two new pilot programs for inclusion in Gulf Power's Demand Side Management Plan: a Solar Thermal Water Heating Program and an Energy Education Program. These programs were approved through December, 2009. Because Gulf Power anticipates including components of these programs in its forthcoming 2010 Demand Side Management Plan, the Company has included cost projections associated with these programs for 2010. Gulf expects to file amended projection testimony relating to these and other programs following the Commission's approval of conservation

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/kWh
RS, RSVP	0.108
GS	0.105
GSD, GSDT, GSTOU	0.100
LP, LPT	0.095
PX, PXT, RTP, SBS	0.091
OSI, OSII	0.080
OSIII	0.094

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 2008 through December 2008, the estimated conservation cost recovery true-up amounts for January 2009 through December 2009, the projected conservation cost recovery amounts for January 2010 through December 2010, and the conservation cost recovery factors to be applied beginning with the period January 2010 through December 2010.

goals and a Demand Side Management Plan for Gulf Power.

Dated this 10th day of September, 2009



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENERGY CONSERVATION COST
RECOVERY CLAUSE**

DOCKET NO. 090002-EG

**PREPARED DIRECT TESTIMONY AND
EXHIBIT OF
JOHN N. FLOYD**

**Projection
JANUARY – DECEMBER 2010**

**Estimated/Actual True-up
JANUARY - DECEMBER 2009**

September 11, 2009



DOCUMENT NUMBER-DATE

09435 SEP 11 8

FPSC-COMMISSION CLERK

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. 090002-EG
6 Energy Conservation Cost Recovery Clause
7 September 11, 2009

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

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

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

16 A. I received a Bachelor Degree in Electrical Engineering
17 from Auburn University in 1985. After serving four
18 years in the U.S. Air Force, I began my career in the
19 electric utility industry at Gulf Power in 1990 and
20 have held various positions within the Company in Power
21 Generation, Metering, Power Delivery Distribution, and
22 Marketing. In my present position, I am responsible
23 for Energy Conservation Cost Recovery (ECCR) filings,
24 economic evaluations, market research, and other
25 marketing services activities.

DOCUMENT NUMBER-DATE

09435 SEP 11 2009

1 Q. Have you previously filed testimony before this
2 Commission in connection with the Energy Conservation
3 Cost Recovery Clause?

4 A. Yes.

5

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

8 A. I am testifying before this Commission on behalf of
9 Gulf Power regarding matters related to the Energy
10 Conservation Cost Recovery Clause and to answer any
11 questions concerning the accounting treatment of
12 recoverable conservation costs in this filing.
13 Specifically, I will address projections for approved
14 programs during the January 2010 through December 2010
15 recovery period and the anticipated results of those
16 programs during the current recovery period, January
17 2009 through December 2009 (7 months actual, 5 months
18 estimated). I have also included projections in 2010
19 for the Solar Thermal Water Heating and Energy
20 Education programs which were originally approved in
21 Docket No. 080395-EG as pilot programs ending December
22 2009. Gulf Power anticipates proposing aspects of
23 these programs in its new 2010 Demand Side Management
24 (DSM) Plan.

25

1 Q. Excluding the projections for the Solar Thermal Water
2 Heating and Energy Education programs, have you
3 included projections for any other programs associated
4 with Gulf's forthcoming DSM plan?

5 A. No, however, Gulf anticipates filing an amended
6 projection of 2010 expenses upon Commission approval of
7 the Company's new DSM Plan associated with conservation
8 goals under consideration in Docket 080410-EG. Based on
9 the current Commission schedule, Gulf anticipates new
10 goals to be established in the fourth quarter of 2009
11 and the corresponding DSM plan to be proposed in the
12 first quarter of 2010.

13

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

16 A. Yes. My exhibit consists of 5 schedules, each of which
17 was prepared under my direction, supervision, or
18 review.

19 Counsel: We ask that Mr. Floyd's exhibit
20 consisting of 5 Schedules be marked for
21 identification as: Exhibit No. ____ (JNF-2).

22

23 Q. Would you summarize for this Commission the deviations
24 resulting from the actual costs for January through
25 July of the current recovery period?

1 A. Projected expenses for the first seven months of the
2 current period were \$7,140,117 compared to actual
3 expenses of \$6,560,890 for a difference of \$579,227 or
4 8.1% under budget. A detailed summary of all program
5 expenses is contained in my Schedule C-3, pages 1 and 2
6 and my Schedule C-5, pages 1 through 17.

7

8 Q. Have you provided a description of the program results
9 achieved during the period, January 2009 through July
10 2009?

11 A. Yes. A detailed summary of year-to-date results for
12 each program is contained in my Schedule C-5, pages 1
13 through 17.

14

15 Q. Would you summarize the conservation program cost
16 projections for the January 2010 through December 2010
17 recovery period?

18 A. Program costs for the projection period are estimated
19 to be \$11,472,661. These costs are broken down as
20 follows: depreciation, return on investment and
21 property taxes, \$2,086,789; payroll/benefits,
22 \$3,816,084; materials/expenses, \$5,034,416;
23 advertising, \$678,148; and incentives, \$792,600; all of
24 which are partially offset by program revenues of
25 \$935,376. More detail is contained in my Schedule C-2.

1 Q. Would you describe the expected results for your on-
2 going and pending programs during the January 2010
3 through December 2010 recovery period?

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

5 (1) Residential Energy Surveys - During the recovery
6 period, 4,000 surveys are projected to be
7 completed. The objective of this program is to
8 provide Gulf Power's existing residential
9 customers, and individuals building new homes,
10 with energy conservation advice that is specific
11 to the particular building being surveyed. These
12 measures result in energy savings for the customer
13 as well as energy and peak demand reductions on
14 Gulf's system.

15 (2) Residential Geothermal Heat Pump - The objective
16 of this program is to reduce the demand and energy
17 requirements of new and existing residential
18 customers through the promotion and installation
19 of advanced and emerging geothermal systems.
20 During the upcoming projection period, 200
21 customers are expected to participate in the
22 program.

23 (3) Energy Select - This program is designed to provide
24 the customer with a means of conveniently and
25 automatically controlling and monitoring energy

1 purchases in response to prices that vary during the
2 day and by season in relation to Gulf's cost of
3 producing or purchasing energy. The Energy Select
4 system includes field units utilizing a communication
5 gateway, major appliance load control relays, and a
6 programmable thermostat (Superstat), all operating at
7 the customer's home. The Company projects 1,250
8 installations in 2010.

9 (4) Commercial/Industrial (C/I) Energy Analysis -

10 This is an interactive program that provides
11 commercial and industrial customers assistance in
12 identifying energy conservation opportunities.
13 The program is a prime tool for the Gulf Power
14 Company C/I Energy Specialists to personally
15 introduce customers to conservation measures,
16 including low or no-cost improvements or new
17 electro-technologies to replace old or inefficient
18 equipment. Further, this program facilitates the
19 load factor improvement process necessary to
20 increase performance for both the customer and the
21 Company. Gulf Power projects 300 participants in
22 2010.

23 (5) Good Cents Commercial Buildings - The Good Cents

24 Building program objective is to reduce peak
25 electrical demand and annual energy consumption in

1 commercial/industrial buildings. This program
2 provides guidelines and assistance to ensure that
3 buildings are constructed with energy efficiency
4 levels above the Florida Energy Efficiency Code
5 for Building Construction. For the projection
6 period, 180 buildings are expected to meet program
7 standards.

8 (6) Commercial Geothermal Heat Pump - The objective of
9 this program is to reduce the demand and energy
10 requirements of new and existing commercial/
11 industrial customers through the promotion and
12 installation of advanced and emerging geothermal
13 systems. During the upcoming projection period,
14 20 customers are expected to participate in the
15 program.

16 (7) Energy Services - The Energy Services program is
17 designed to establish the capability and process
18 to offer advanced energy services and energy
19 efficient end-use equipment that is customized to
20 meet the individual needs of large customers.
21 Potential projects are evaluated on a case-by-case
22 basis and must be cost effective to qualify for
23 incentives or rebates. Types of projects covered
24 under this program would include demand reduction
25 or efficiency improvement retrofits, such as

1 lighting (fluorescent and incandescent), motor
2 replacements, HVAC retrofit (including geothermal
3 applications), and new electro-technologies. For
4 2010, Gulf projects at the meter energy reductions
5 of 1,178,470 kWh, and at the meter demand
6 reductions of 510 kW winter and 275 kW summer.

7 (8) Renewable Energy - The Renewable Energy Program is
8 designed to encompass a variety of voluntary
9 renewable and green energy programs under
10 development by Gulf Power Company. Programs
11 include voluntary pricing options like the
12 EarthCents Solar (Photovoltaic Rate Rider) and the
13 Solar for Schools Program. Additionally, this
14 program will include expenses necessary to prepare
15 and implement a renewable energy pilot program
16 utilizing landfill gas, wind, solar and other
17 renewable energy sources. Costs associated with
18 the Renewable Energy program are provided in
19 Schedule C-2.

20 (9) Conservation Demonstration and Development - A
21 package of conservation programs was approved by
22 the FPSC in Order No. 23561 for Gulf Power Company
23 to explore and to pursue research, development, and
24 demonstration projects designed to promote energy
25 efficiency and conservation. This program serves

1 as an umbrella program for the identification,
2 development, demonstration and evaluation of new or
3 emerging end-use technologies. Costs associated
4 with the Conservation Demonstration and Development
5 program are provided in Schedule C-2.

6 (10) Solar Thermal Water Heating Program Pilot -

7 Approved by the Commission in December, 2008, as a
8 one-year pilot, this program was designed to gauge
9 utility customer interest in, and acceptance of,
10 solar thermal water heating. Currently, a \$1,000
11 rebate is available to customers after a qualifying
12 system has been installed by the customer and
13 inspected by Company personnel. Gulf anticipates
14 requesting extension of a modified version of this
15 pilot program as part of the Company's upcoming DSM
16 plan. At this time, specific program standards
17 have not been determined.

18 (11) Energy Education Pilot Program - This program was

19 approved by the Commission in December, 2008, as a
20 one-year pilot. The objective of the Energy
21 Education Program is to raise awareness of energy
22 efficiency and conservation and to increase
23 participation in conservation opportunities
24 including Gulf's existing and future energy
25 efficiency and conservation programs. Gulf

1 anticipates requesting approval of aspects of this
2 pilot program as part of the Company's DSM plan for
3 the period 2010 through 2019. At this time, the
4 full scope of program components has not been
5 determined.

6
7 Q. Mr. Floyd, have there been any developments in any
8 existing program that will have a significant effect on
9 the amount being requested for recovery in 2009 or 2010?

10 A. Yes. Overall participation in Gulf's voluntary
11 programs for 2009 has been lower than projected. Gulf
12 believes that this is due in part to several factors
13 including lower than projected customer growth and
14 general economic conditions. Expenses for 2009 have
15 been less than projected primarily due to delays in
16 equipment availability for new installations in the
17 Energy Select program. Although, promotion of the
18 program was resumed in April, 2009, delivery of the new
19 equipment is not expected until the first quarter of
20 2010.

21
22 Q. How does the proposed 2010 Energy Conservation Cost
23 Recovery factor for Rate Schedule RS compare with the
24 factor applicable to December 2009 and how would the
25 change affect the cost of 1,000 kWh on Gulf Power's

1 residential rate RS?

2 A. The current Energy Conservation Cost Recovery factor
3 for Rate Schedule RS applicable through December 2009
4 is 0.085¢/kWh compared with the proposed factor of
5 0.108¢/kWh. For a residential customer who uses 1,000
6 kWh in January 2010 the conservation portion of the
7 bill would increase from \$0.85 to \$1.08.

8

9 Q. When does Gulf propose to collect these Energy
10 Conservation Cost Recovery charges?

11 A. The factors will be effective beginning with the first
12 bill group for January 2010 and continue through the
13 last bill group for December 2010.

14

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

16 A. Yes, it does.

17

18

19

20

21

22

23

24

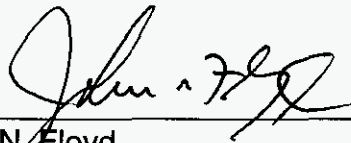
25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 090002-EG

Before me the undersigned authority, personally appeared John N. Floyd, Economic Evaluation and Market Reporting Team Leader of Gulf Power Company, and who on behalf of said corporation, being first duly sworn, deposes and says that, pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, the foregoing is true and correct to the best of her knowledge, information and belief. He is personally known to me.

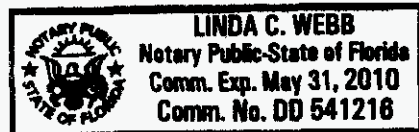


John N. Floyd
Economic Evaluation & Market Reporting Team Leader

Sworn to and subscribed before me this 10th day of September, 2009.



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 2010 - December 2010	4-7
C-3	Conservation Program Costs for January 2009 - July 2009 Actual August 2009 - December 2009 Estimated	8-13
C-4	Calculation of Conservation Revenues	14
C-5	Program Descriptions and Progress Reports	15-31

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

For the Period: January, 2010 Through December, 2010

	\$
1. Net Program Costs: Projected for 2010 (Schedule C-2, Page 1 of 4, Line 14)	11,472,661
2. True Up: Estimated 2009 (Jan-Jul Actual; Aug-Dec Est.) (Schedule C-3, Page 3 of 6, Line 11)	53,023
3. Total (Line 1 + Line 2)	11,525,684
4. Cost Subject to Revenue Taxes	11,525,684
5. Revenue Tax	1,00072
6. Total Recoverable Cost	11,533,982

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	11,533,982
8. Energy Related Costs	7,994,330
9. Demand Related Costs (total)	3,539,652
10. Demand Costs Allocated on 12 CP	3,267,371
11. Demand Costs Allocated on 1/13 th	272,281

	Demand \$					Total Recoverable Costs Including Revenue Taxes
	Energy \$	Half of GCS	Total	Energy	Demand	
	\$	\$	\$	\$	\$	\$
12. Est/Actual 2009	8,772,874	3,840,527	12,613,401	36,904	16,157	53,061
13. Percentage	69.55%	30.45%	100.00%			
14. Projected 2010	7,952,089	3,520,572	11,472,661	7,957,426	3,523,495	11,480,921
15. Percentage	69.31%	30.69%	100.00%			
16. Total				7,994,330	3,539,652	11,533,982

GULF POWER COMPANY
ENERGY CONSERVATION COST RECOVERY FACTORS
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS
For the Period: January, 2010 Through December, 2010

Rate Class	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 2010 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 2010 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%	5,571,240,000	1,096,142.66	1.00486476	1.00530097	5,600,772,976	1,101,475.13	49.79562%	58.83888%
GS	63.781436%	313,549,000	56,118.62	1.00485887	1.00529775	315,210,104	56,391.29	2.80249%	3.01232%
GSD, GSDT, GSTOU	75.860452%	2,435,322,000	366,468.68	1.00470565	1.00516604	2,447,902,971	368,193.15	21.76393%	19.66823%
LP, LPT	86.886296%	1,885,643,000	247,744.54	0.98422595	0.98911989	1,865,126,997	243,836.61	16.58256%	13.02533%
PX, PXT, RTP, SBS	104.683592%	883,147,000	96,305.32	0.97443817	0.98057253	865,989,688	93,843.58	7.69938%	5.01296%
OS - I / II	321.885641%	115,537,000	4,097.47	1.00468934	1.00529485	116,148,751	4,116.68	1.03266%	0.21991%
OS-III	99.718369%	36,179,000	4,141.69	1.00511513	1.00526827	36,369,601	4,162.88	0.32336%	0.22237%
TOTAL		<u>11,240,617,000</u>	<u>1,871,018.98</u>			<u>11,247,521,088</u>	<u>1,872,019.32</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, 2010 Through December, 2010

	A	B	C	D	E	F	G	H
<u>Rate Class</u>	<u>Jan - Dec 2010 Percentage of KWH Sales at Generation</u>	<u>Percentage of 12 CP KW Demand at Generation</u>	<u>Demand Allocation 12CP</u>	<u>1/13 th</u>	<u>Energy Allocation</u>	<u>Total Conservation Costs</u>	<u>Jan - Dec 2010 Projected KWH Sales at Meter</u>	<u>Conservation Recovery Factor cents per KWH</u>
RS, RSVP	49.79562%	58.83888%	\$1,922,484	\$135,584	\$3,980,827	\$6,038,895	5,571,240,000	0.108
GS	2.80249%	3.01232%	98,424	7,631	224,040	330,095	313,549,000	0.105
ω GSD, GSdT, GSTOU	21.76393%	19.66823%	642,634	59,259	1,739,880	2,441,773	2,435,322,000	0.100
LP, LPT	16.58256%	13.02533%	425,586	45,151	1,325,665	1,796,402	1,885,643,000	0.095
PX, PXT, RTP, SBS	7.69938%	5.01296%	163,792	20,964	615,514	800,270	883,147,000	0.091
OS - I / II	1.03266%	0.21991%	7,185	2,812	82,554	92,551	115,537,000	0.080
OS-III	0.32336%	0.22237%	7,266	880	25,850	33,996	36,179,000	0.094
TOTAL	100.00000%	100.00000%	\$3,267,371	\$272,281	\$7,994,330	\$11,533,982	11,240,617,000	

Notes:

Col A = Schedule C-1, page 2 of 3, col H
Col B = Schedule C-1, page 2 of 3, col I
Col C = C-1, page 1, line 10 * col B
Col D = C-1, page 1, line 11 * col A
Col E = C-1, page 1, line 8 * col A
G Projected kwh sales for the period January 2010 through December 2010
Col H = Col F / G

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
PROJECTED CONSERVATION PROGRAM NET COSTS
For the Period January, 2010 Through December, 2010

Programs	Depreciation, Return & Property Taxes	Payroll & Benefits	Materials Vehicles & Expenses	Other	Advertising	Incentives	Total Costs	Program Fees	Net Costs
1. Residential Energy Surveys	26,804	925,059	125,153	0	203,451	0	1,280,467	0	1,280,467
2. Residential Geothermal Heat Pump	0	116,215	32,375	0	2,500	399,600	550,690	0	550,690
3. Energy Select	2,059,985	1,306,374	4,235,162	0	375,000	0	7,976,521	935,376	7,041,145
4. Commercial / Industrial Energy Analysis	0	525,001	145,846	0	4,072	0	674,919	0	674,919
5. GoodCents Commercial Buildings	0	510,199	71,351	0	17,125	0	598,675	0	598,675
6. Commercial Geothermal Heat Pump	0	64,842	5,120	0	1,000	88,000	158,962	0	158,962
7. Energy Services	0	0	0	0	0	255,000	255,000	0	255,000
8. Renewable Energy									
a. Solar for Schools	0		500	0	0	0	500	0	500
b. EarthCents Solar	0	16,242	8,346	0	25,000	0	49,588	0	49,588
c. Renewable Energy Initiatives	0	142,050	126,152	0	0	0	268,202	0	268,202
9. Conservation Demonstration and Development	0	85,102	134,411	0	0	0	219,513	0	219,513
10. Solar Thermal Water Heating Program Pilot	0	0	15,000	0	50,000	50,000	115,000	0	115,000
11. Energy Education Program	0	125,000	135,000	0	0	0	260,000	0	260,000
12. Total All Programs	2,086,789	3,816,084	5,034,416	0	678,148	792,600	12,408,037	935,376	11,472,661
13. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0
14. Net Program Costs	2,086,789	3,816,084	5,034,416	0	678,148	792,600	12,408,037	935,376	11,472,661

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GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
PROJECTED CONSERVATION PROGRAM COSTS (NET OF PROGRAM FEES)
For the Period January, 2010 Through December, 2010

Programs

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>12 MONTH TOTAL</u>	<u>DEMAND COSTS</u>	<u>ENERGY COSTS</u>
1. Residential Energy Surveys	81,446	81,004	83,842	133,844	87,658	132,281	178,193	85,638	83,557	126,101	90,622	116,281	1,280,467	0	1,280,467
2. Residential Geothermal Heat Pump	18,975	19,896	23,016	24,713	27,204	55,130	62,029	59,130	61,948	63,699	63,968	70,982	550,690	0	550,690
3. Energy Select	548,550	548,580	535,229	556,338	577,531	562,952	637,652	587,818	581,624	563,385	736,211	605,275	7,041,145	3,520,572	3,520,573
4. Commercial / Industrial Energy Analysis	71,929	46,689	50,295	48,563	54,614	49,855	71,760	49,402	49,047	50,569	61,703	70,493	674,919	0	674,919
5. GoodCents Commercial Buildings	44,344	44,463	46,010	45,872	45,903	46,604	67,637	46,413	46,956	49,220	48,117	67,136	598,675	0	598,675
6. Commercial Geothermal Heat Pump	12,368	12,368	12,514	12,514	12,514	12,528	15,034	12,528	12,528	14,528	13,528	16,010	158,962	0	158,962
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	42	42	42	42	42	42	42	42	42	42	42	38	500	0	500
b. EarthCents Solar	2,369	2,367	2,414	2,424	2,434	2,437	7,614	1,966	7,974	1,988	6,986	8,615	49,588	0	49,588
c. Renewable Energy Initiatives	13,378	14,753	16,448	17,823	19,198	20,573	27,437	23,323	24,698	26,073	28,823	35,675	268,202	0	268,202
9. Conservation Demonstration and Development	12,745	12,169	14,633	13,411	15,982	17,239	21,323	18,561	19,517	20,576	23,725	29,632	219,513	0	219,513
10. Solar Thermal Water Heating Program Pilot	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,584	9,584	9,584	9,584	115,000	0	115,000
11. Energy Education Program	21,666	21,666	21,666	21,666	21,667	21,667	21,667	21,667	21,667	21,667	21,667	21,667	260,000	0	260,000
12. Total All Programs	858,645	834,830	836,942	908,043	895,580	952,141	1,141,221	937,321	940,392	968,682	1,126,226	1,072,638	11,472,661	3,520,572	7,952,089
13. Less: Base Rate Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14. Recoverable Conservation Expenses	858,645	834,830	836,942	908,043	895,580	952,141	1,141,221	937,321	940,392	968,682	1,126,226	1,072,638	11,472,661	3,520,572	7,952,089

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GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
Residential Energy Surveys - Flow Meter, Thermal Imaging Tools, Display Cases
For the Period January, 2010 Through December, 2010

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	0
2.a.	Depreciation Base - Flow Meter	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	8,094
2.b.	Depreciation Base - Thermal Imaging Tools	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
2.c.	Depreciation Base - Display Cases	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
2.d.	Depreciation Base - Total	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094
3.	Depreciation Expense (A)		1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	15,432
4.	Cumulative Plant in Service Additions	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094	108,094
5.	Less: Accumulated Depreciation	7,567	8,853	10,139	11,425	12,711	13,997	15,283	16,569	17,855	19,141	20,427	21,713	22,999	22,999
6.	Net Plant in Service (Line 4 - 5)	100,527	99,241	97,955	96,669	95,383	94,097	92,811	91,525	90,239	88,953	87,667	86,381	85,095	85,095
7.	Net Additions/Reductions to CWIP		0	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	0
9.	Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	Net Investment (Line 6 + 8 + 9)	100,527	99,241	97,955	96,669	95,383	94,097	92,811	91,525	90,239	88,953	87,667	86,381	85,095	85,095
11.	Average Net Investment		99,884	98,598	97,312	96,026	94,740	93,454	92,168	90,882	89,596	88,310	87,024	85,738	85,738
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	0.009434
13.	Return Requirement on Average Net Investment		942	930	918	906	894	882	870	857	845	833	821	809	10,507
14.	Property Taxes		72	72	72	72	72	72	72	72	72	72	72	73	865
15.	Total Depreciation, Return and Property Taxes (Line 3+13+14)		2,300	2,288	2,276	2,264	2,252	2,240	2,228	2,215	2,203	2,191	2,179	2,168	26,804

Notes:
(A) Flow Meter, Thermal Imaging Tools and Display Cases 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
Energy Select
For the Period January, 2010 Through December, 2010

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)		91,288	95,705	98,982	135,345	172,588	210,513	249,007	251,997	254,619	220,227	184,969	149,055	
2.	Depreciation Base	11,039,821	11,131,109	11,226,813	11,325,795	11,461,140	11,633,728	11,844,242	12,093,249	12,345,245	12,599,864	12,820,091	13,005,060	13,154,115	
3.	Depreciation Expense (A)		25,497	25,712	25,935	26,205	26,559	27,000	27,528	28,104	28,687	29,233	29,699	30,083	330,242
4.	Cumulative Plant in Service Additions	11,039,821	11,131,109	11,226,813	11,325,795	11,461,140	11,633,728	11,844,242	12,093,249	12,345,245	12,599,864	12,820,091	13,005,060	13,154,115	
5.	Less: Accumulated Depreciation	(140,325)	(114,828)	(89,116)	(63,181)	(36,976)	(10,417)	16,583	44,111	72,215	100,902	130,135	159,834	189,917	
6.	Net Plant in Service (Line 4 - 5)	11,180,146	11,245,936	11,315,929	11,388,976	11,498,116	11,644,145	11,827,658	12,049,137	12,273,030	12,498,962	12,689,956	12,845,226	12,964,198	
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	1,611,712	1,754,261	1,897,292	2,036,203	2,158,850	2,262,657	2,342,710	2,398,529	2,449,156	2,497,180	2,557,937	2,639,479	2,578,601	
10.	Net Investment (Line 6 + 8 + 9)	12,791,858	13,000,197	13,213,221	13,425,179	13,656,966	13,906,802	14,170,368	14,447,666	14,722,187	14,996,142	15,247,892	15,484,704	15,542,799	
11.	Average Net Investment		12,896,027	13,106,709	13,319,200	13,541,072	13,781,884	14,038,585	14,309,017	14,584,926	14,859,164	15,122,017	15,366,298	15,513,752	
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		121,661	123,649	125,653	127,746	130,018	132,440	134,991	137,594	140,181	142,661	144,966	146,357	1,607,917
14.	Property Taxes		10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,154	121,826
15.	Total Depreciation, Return and Property Taxes (Line 3+13+14)		157,310	159,513	161,740	164,103	166,729	169,592	172,671	175,850	179,020	182,046	184,817	186,594	2,059,985

Notes:
(A) Energy Select Property Additions Depreciated at 2.8% per year
(B) Revenue Requirement Return is 11.321%

Florida Public Service Commission
Docket No. 090002-EG
GULF POWER COMPANY
Witness: John N. Floyd
Exhibit No. _____ (JNF-2)
Schedule C-2
Page 4 of 4

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
CONSERVATION PROGRAM NET COST
January, 2009 Through July, 2009, Actual
August, 2009 Through December, 2009, Estimated

Actual	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Materials Vehicles & Expenses	Advertising	Total Costs	Program Fees	Net Costs
1. Residential Energy Surveys							
a. Actual	914.77	527,645.85	117,553.14	33,302.38	679,556.14	0.00	679,556.14
b. Estimated	3,812.94	394,125.09	84,000.00	65,108.62	547,046.65	0.00	547,046.65
c. Total	4,727.71	921,770.94	201,553.14	98,411.00	1,226,602.79	0.00	1,226,602.79
2. Residential Geothermal Heat Pump							
a. Actual	0.00	52,611.16	12,387.90	1,043.75	101,642.81	0.00	101,642.81
b. Estimated	0.00	66,927.84	8,106.10	1,456.25	140,490.19	0.00	140,490.19
c. Total	0.00	119,539.00	20,494.00	2,500.00	242,133.00	0.00	242,133.00
3. Energy Select							
a. Actual	1,057,918.46	780,281.40	2,053,907.99	180,031.57	4,072,209.42	406,648.37	3,665,561.05
b. Estimated	773,827.76	636,306.60	2,103,941.15	94,968.43	3,608,843.94	351,820.00	3,257,023.94
c. Total	1,831,546.22	1,416,588.00	4,157,849.14	275,000.00	7,681,053.36	758,468.37	6,922,584.99
4. Commercial / Industrial Energy Analysis							
a. Actual	0.00	288,705.60	71,326.10	0.00	360,031.70	0.00	360,031.70
b. Estimated	0.00	270,393.40	39,520.90	4,072.00	313,986.30	0.00	313,986.30
c. Total	0.00	559,099.00	110,847.00	4,072.00	674,018.00	0.00	674,018.00
5. GoodCents Commercial Buildings							
a. Actual	0.00	304,209.89	37,464.27	490.00	342,164.16	0.00	342,164.16
b. Estimated	0.00	262,347.09	26,000.00	1,635.00	289,982.09	0.00	289,982.09
c. Total	0.00	566,556.98	63,464.27	2,125.00	632,146.25	0.00	632,146.25
6. Commercial Geothermal Heat Pump							
a. Actual	0.00	31,831.85	3,431.08	0.00	48,262.93	0.00	48,262.93
b. Estimated	0.00	12,441.15	1,688.92	1,000.00	90,130.07	0.00	90,130.07
c. Total	0.00	44,273.00	5,120.00	1,000.00	138,393.00	0.00	138,393.00
7. Energy Services							
a. Actual	0.00	0.00	390.59	0.00	390.59	0.00	390.59
b. Estimated	0.00	0.00	0.00	0.00	104,609.41	0.00	104,609.41
c. Total	0.00	0.00	390.59	0.00	105,000.00	0.00	105,000.00
8. Renewable Energy							
a. Solar for Schools							
a. Actual	0.00	0.00	16.98	0.00	16.98	0.00	16.98
b. Estimated	0.00	0.00	483.02	0.00	483.02	0.00	483.02
c. Total	0.00	0.00	500.00	0.00	500.00	0.00	500.00
b. EarthCents Solar							
a. Actual	0.00	2,326.63	4,442.62	0.00	6,769.25	0.00	6,769.25
b. Estimated	0.00	3,887.71	2,966.04	0.00	6,853.75	0.00	6,853.75
c. Total	0.00	6,214.34	7,408.66	0.00	13,623.00	0.00	13,623.00
c. Renewable Energy Initiatives							
a. Actual	0.00	77,033.86	212,364.90	2,400.00	291,798.76	0.00	291,798.76
b. Estimated	0.00	71,747.14	52,475.10	0.00	124,222.24	0.00	124,222.24
c. Total	0.00	148,781.00	264,840.00	2,400.00	416,021.00	0.00	416,021.00
9. Conservation Demonstration and Development							
a. Electrode Boiler	0.00	3,321.66	2,823.77	0.00	6,145.43	0.00	6,145.43
b. McDonald's Geothermal Project	0.00	3,321.66	2,823.77	0.00	6,145.43	0.00	6,145.43
c. UWF Best House	0.00	3,321.66	27,823.77	0.00	31,145.43	0.00	31,145.43
d. Variable Speed Pool Pump	0.00	3,321.65	2,823.74	0.00	6,145.39	0.00	6,145.39
e. Total Actual	0.00	13,286.63	36,295.05	0.00	49,581.68	0.00	49,581.68
f. Estimated	0.00	71,993.37	81,053.92	0.00	153,047.29	0.00	153,047.29
g. Total	0.00	85,280.00	117,348.97	0.00	202,628.97	0.00	202,628.97
10. Solar Thermal Water Heating Program							
a. Actual	0.00	879.13	1,693.08	34,172.63	73,744.84	0.00	73,744.84
b. Estimated	0.00	0.00	143,709.79	15,827.37	197,537.16	0.00	197,537.16
c. Total	0.00	879.13	145,402.87	50,000.00	271,282.00	0.00	271,282.00
11. Energy Education							
a. Actual	0.00	40,005.93	47,058.33	447,656.49	534,720.75	0.00	534,720.75
b. Estimated	0.00	34,994.07	87,941.67	352,343.51	475,279.25	0.00	475,279.25
c. Total	0.00	75,000.00	135,000.00	800,000.00	1,010,000.00	0.00	1,010,000.00
12. a. Actual	1,058,833.23	2,118,817.93	2,598,332.03	699,096.82	6,560,890.01	406,648.37	6,154,241.64
b. Estimated	777,440.70	1,825,163.46	2,631,886.61	536,411.18	6,052,511.36	351,820.00	5,700,691.36
13. Total All Programs	1,836,273.93	3,943,981.39	5,230,218.64	1,235,508.00	12,613,401.37	758,468.37	11,854,933.00

GULF POWER COMPANY
 ENERGY CONSERVATION CLAUSE
 CONSERVATION PROGRAM COSTS (Exclusive of Program Fees)
 For the Period January, 2009 Through July, 2009, Actual
 August, 2009 Through December, 2009, Estimated

	ACTUAL							ESTIMATED							TOTAL ACTUAL & ESTIMATED COSTS
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL ACT	AUG	SEP	OCT	NOV	DEC	TOTAL EST	
1. Residential Energy Surveys	9,303.95	100,382.46	147,823.87	129,730.81	115,884.62	109,069.61	67,360.82	679,556.14	109,409.00	109,409.00	109,409.00	109,409.00	109,410.65	547,046.65	1,226,602.79
2. Residential Geothermal Heat Pump	31,964.00	(3,688.52)	14,527.80	11,996.82	13,458.62	17,111.30	16,272.79	101,642.81	28,098.00	28,098.00	28,098.00	28,098.00	28,098.19	140,490.19	242,133.00
3. Energy Select	625,496.61	483,816.94	498,148.10	642,008.09	629,563.35	523,267.12	669,909.21	4,072,209.42	721,769.00	721,769.00	721,769.00	721,769.00	721,767.94	3,608,843.94	7,681,053.36
4. Commercial / Industrial Energy Analysis	82,756.49	54,490.01	40,762.63	36,066.72	38,963.84	46,227.12	60,764.89	360,031.70	62,797.00	62,797.00	62,797.00	62,797.00	62,798.30	313,986.30	674,018.00
5. GoodCents Commercial Buildings	74,820.87	44,945.47	41,078.87	42,259.17	39,154.35	41,437.89	58,467.54	342,164.16	57,996.00	57,996.00	57,996.00	57,996.00	57,998.09	289,982.09	632,146.25
6. Commercial Geothermal Heat Pump	6,412.88	4,553.01	4,033.26	3,963.87	4,443.22	9,511.65	15,325.04	48,262.93	18,026.00	18,026.00	18,026.00	18,026.00	18,026.07	90,130.07	138,393.00
7. Energy Services	0.00	0.00	0.00	0.00	0.00	390.59	0.00	390.59	20,922.00	20,922.00	20,922.00	20,922.00	20,921.41	104,609.41	105,000.00
8. Renewable Energy															
a. Solar for Schools	0.00	0.00	0.00	0.00	0.00	16.98	0.00	16.98	97.00	97.00	97.00	97.00	95.02	483.02	500.00
b. Earth Cents Solar	1,012.17	971.83	809.91	920.87	930.09	921.45	1,102.93	6,769.25	1,371.00	1,371.00	1,371.00	1,371.00	1,369.75	6,853.75	13,823.00
c. Renewable Energy Initiatives (Note A)	33,134.24	39,712.34	52,127.07	33,650.27	51,658.01	41,791.50	39,725.33	291,798.76	44,444.00	44,444.00	(53,556.00)	44,444.00	44,446.24	124,222.24	416,021.00
9. Conservation Demonstration and Development									30,609.40	30,609.40	30,609.40	30,609.40	30,609.69	153,047.29	202,628.97
a. Electrode Boiler	974.68	914.50	718.80	732.83	722.53	912.53	1,169.56	6,145.43							
b. McDonald's Geothermal Project	974.68	914.50	718.81	732.83	722.54	912.52	1,169.55	6,145.43							
c. UWF Best House	25,974.69	914.50	718.81	732.83	722.54	912.52	1,169.54	31,145.43							
d. Variable Speed Pool Pump	974.69	914.50	718.81	732.82	722.54	912.52	1,169.51	6,145.39							
10. Solar Thermal Water Heating Program	625.00	4,484.55	5,036.15	10,926.51	27,472.63	9,025.00	16,175.00	73,744.84	39,507.00	39,507.00	39,507.00	39,507.00	39,509.16	197,537.16	271,282.00
11. Energy Education	15,370.70	15,790.40	47,382.19	63,154.53	180,721.42	105,231.55	107,069.96	534,720.75	95,056.00	95,056.00	95,056.00	95,056.00	95,055.25	475,279.25	1,010,000.00
12. Total All Programs	909,795.65	749,116.49	854,705.08	977,628.97	1,105,140.30	907,651.85	1,056,851.67	6,560,890.01	1,230,101.40	1,230,101.40	1,132,101.40	1,230,101.40	1,230,105.76	6,052,511.36	12,613,401.37
13. 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
14. Net Recoverable Expenses	909,795.65	749,116.49	854,705.08	977,628.97	1,105,140.30	907,651.85	1,056,851.67	6,560,890.01	1,230,101.40	1,230,101.40	1,132,101.40	1,230,101.40	1,230,105.76	6,052,511.36	12,613,401.37

Note A: Projected October expenses for Renewable Energy Initiatives includes an estimated adjustment of (\$98,000) to reverse amounts erroneously booked to the ECCR clause.

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
ESTIMATED TRUE-UP
For the Period: January, 2009 through December, 2009

Conservation Revenues	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
1. Energy Select Program Revenues	54,526.98	56,911.84	54,273.47	51,726.85	53,367.26	63,569.57	72,272.40	68,444.00	69,596.00	70,566.00	71,324.00	71,900.00	758,468.37
2. Conservation Revenues	<u>681,773.14</u>	<u>608,114.30</u>	<u>609,095.05</u>	<u>626,024.44</u>	<u>747,458.98</u>	<u>957,118.64</u>	<u>907,754.12</u>	<u>940,760.87</u>	<u>807,872.49</u>	<u>689,822.45</u>	<u>605,476.44</u>	<u>700,384.22</u>	<u>8,881,655.15</u>
3. Total Revenues	736,300.12	665,026.14	663,368.52	677,751.29	800,826.24	1,020,688.21	980,026.52	1,009,204.87	877,468.49	760,378.45	676,800.44	772,284.22	9,640,123.52
4. Adjustment not Applicable to Period - Prior True Up	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,791.33</u>	<u>215,790.90</u>	<u>2,589,495.53</u>
5. Conservation Revenues Applicable to Period	952,091.45	880,817.47	879,159.85	893,542.62	1,016,617.57	1,236,479.54	1,195,817.85	1,224,996.20	1,093,259.82	976,169.78	892,591.77	988,075.12	12,229,619.05
6. Conservation Expenses (Form C-3 Page 2 of 6)	<u>909,795.65</u>	<u>749,116.49</u>	<u>854,705.06</u>	<u>977,628.97</u>	<u>1,105,140.30</u>	<u>907,651.85</u>	<u>1,056,822.97</u>	<u>1,230,101.40</u>	<u>1,230,101.40</u>	<u>1,132,101.40</u>	<u>1,230,101.40</u>	<u>1,230,105.76</u>	<u>12,613,372.67</u>
7. True Up this Period (Line 5 minus Line 6)	42,295.80	131,700.98	24,454.77	(84,086.35)	(88,522.73)	328,827.69	138,994.88	(5,105.20)	(136,841.58)	(155,931.62)	(337,509.63)	(242,030.64)	(383,753.62)
8. Interest Provision this Period (C-3 Page 4 of 6, Line 10)	1,565.48	1,731.02	1,387.59	917.34	588.09	520.34	525.39	447.89	376.32	285.87	170.31	43.96	8,559.60
9. True Up & Interest Provision Beginning of Month	2,911,666.06	2,739,736.01	2,657,376.68	2,467,427.71	2,168,467.37	1,864,741.40	1,978,298.10	1,902,027.04	1,681,578.40	1,329,321.82	957,884.74	404,754.09	2,911,666.06
10. Prior True Up Collected or Refunded	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,791.33)</u>	<u>(215,790.90)</u>	<u>(2,589,495.53)</u>
11. End of Period- Net True Up	<u>2,739,736.01</u>	<u>2,657,376.68</u>	<u>2,467,427.71</u>	<u>2,168,467.37</u>	<u>1,864,741.40</u>	<u>1,978,298.10</u>	<u>1,902,027.04</u>	<u>1,681,578.40</u>	<u>1,329,321.82</u>	<u>957,884.74</u>	<u>404,754.09</u>	<u>(53,023.49)</u>	<u>(53,023.49)</u>

GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
INTEREST CALCULATION
For the Period: January, 2009 through December, 2009

<u>Interest Provision</u>	<u>ACTUAL JAN</u>	<u>ACTUAL FEB</u>	<u>ACTUAL MARCH</u>	<u>ACTUAL APRIL</u>	<u>ACTUAL MAY</u>	<u>ACTUAL JUNE</u>	<u>ACTUAL JULY</u>	<u>ESTIMATED AUGUST</u>	<u>ESTIMATED SEPTEMBER</u>	<u>ESTIMATED OCTOBER</u>	<u>ESTIMATED NOVEMBER</u>	<u>ESTIMATED DECEMBER</u>	<u>TOTAL</u>
1. Beginning True up Amount	2,911,666.06	2,739,736.01	2,657,376.68	2,467,427.71	2,168,467.37	1,864,741.40	1,978,298.10	1,902,027.04	1,681,578.40	1,329,321.82	957,884.74	404,754.09	
2. Ending True up before Interest	<u>2,738,170.53</u>	<u>2,655,645.65</u>	<u>2,466,040.12</u>	<u>2,167,550.03</u>	<u>1,864,153.31</u>	<u>1,977,777.76</u>	<u>1,901,501.65</u>	<u>1,681,130.51</u>	<u>1,328,945.50</u>	<u>957,598.87</u>	<u>404,583.78</u>	<u>(53,067.45)</u>	
3. Total Beginning & Ending Balances	5,649,836.59	5,395,381.66	5,123,416.81	4,634,977.75	4,032,620.69	3,842,519.17	3,879,799.76	3,583,157.56	3,010,523.90	2,286,920.68	1,362,468.52	351,686.64	
4. Average True up Amount	2,824,918.30	2,697,690.83	2,561,708.41	2,317,488.87	2,016,310.34	1,921,259.59	1,939,899.88	1,791,578.77	1,505,261.94	1,143,460.33	681,234.25	175,843.31	
5. Interest Rate First Day Reporting Business Month	0.54	0.79	0.75	0.55	0.40	0.30	0.35	0.30	0.30	0.30	0.30	0.30	0.30
6. Interest Rate First Day Subsequent Business Month	<u>0.79</u>	<u>0.75</u>	<u>0.55</u>	<u>0.40</u>	<u>0.30</u>	<u>0.35</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>
7. Total of Lines 5 and 6	1.33	1.54	1.30	0.95	0.70	0.65	0.65	0.60	0.60	0.60	0.60	0.60	0.60
8. Average Interest rate (50% of Line 7)	0.6650	0.7700	0.6500	0.4750	0.3500	0.3250	0.3250	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
9. Monthly Average Interest Rate Line 8 / 12 months	<u>0.000554</u>	<u>0.000642</u>	<u>0.000542</u>	<u>0.000396</u>	<u>0.000292</u>	<u>0.000271</u>	<u>0.000271</u>	<u>0.000250</u>	<u>0.000250</u>	<u>0.000250</u>	<u>0.000250</u>	<u>0.000250</u>	<u>0.000250</u>
10. Interest Provision (line 4 X 9)	<u>1,565.48</u>	<u>1,731.02</u>	<u>1,387.59</u>	<u>917.34</u>	<u>588.09</u>	<u>520.34</u>	<u>525.39</u>	<u>447.89</u>	<u>376.32</u>	<u>285.87</u>	<u>170.31</u>	<u>43.96</u>	<u>8,559.60</u>

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GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
Residential Energy Surveys - Flow Meter, Thermal Imaging Tools, Display Cases
For the Period January, 2009 Through December, 2009

Line No.	Description	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		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00	
2.a.	Depreciation Base - Flow Meter	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	
2.b.	Depreciation Base - Thermal Imaging Tools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00	
2.c.	Depreciation Base - Display Cases	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00	
2.d.	Depreciable Base - Total	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	108,093.56	108,093.56	
3	Depreciation Expense (A)		96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	96.35	691.60	1,286.85	2,941.95
4	Cumulative Plant in Service Additions	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	8,093.56	108,093.56	108,093.56	
5	Salvage, Cost of Removal and Retirement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6	Less: Accumulated Depreciation	4,624.82	4,721.17	4,817.52	4,913.87	5,010.22	5,106.57	5,202.92	5,299.27	5,395.62	5,491.97	5,588.32	6,279.92	7,566.77	
7	Net Plant In Service (Line 4 - 6)	3,468.74	3,372.39	3,276.04	3,179.69	3,083.34	2,986.99	2,890.64	2,794.29	2,697.94	2,601.59	2,505.24	101,813.64	100,526.79	
8	Net Additions/Reductions to CWIP		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	CWIP Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11	Net Investment	3,468.74	3,372.39	3,276.04	3,179.69	3,083.34	2,986.99	2,890.64	2,794.29	2,697.94	2,601.59	2,505.24	101,813.64	100,526.79	
12	Average Net Investment		3,420.57	3,324.22	3,227.87	3,131.52	3,035.17	2,938.82	2,842.47	2,746.12	2,649.77	2,553.42	52,159.44	101,170.22	
13	Rate of Return / 12 (B)		0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	
14	Return Requirement on Average Net Investment		32.27	31.36	30.45	29.54	28.63	27.72	26.82	25.91	25.00	24.09	492.07	954.44	1,728.30
15	Property Tax		4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.77	57.46
16	Total Depreciation, Prop Taxes & Return (Line 3 + 14 + 15)		133.41	132.50	131.59	130.68	129.77	128.86	127.96	127.05	126.14	125.23	1,188.46	2,246.06	4,727.71

Notes:
(A) Flow Meter, Thermal Imaging Tools and Display Cases Depreciated at 14.2857% per year
(B) Revenue Requirement Return (includes Income Taxes) is 11.321%

Florida Public Service Commission
Docket No. 090002-EG
GULF POWER COMPANY
Witness: John N. Floyd
Exhibit No. _____ (JNF-2)
Schedule C-3
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GULF POWER COMPANY
ENERGY CONSERVATION CLAUSE
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION, RETURN AND PROPERTY TAXES
ENERGY SELECT
For the Period January, 2009 Through December, 2009

Line No.	Description	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		(49,867.65)	(19,179.88)	(58,640.95)	(10,641.97)	2,143.15	78,977.20	121,724.77	211,430.38	211,430.38	181,226.04	151,021.70	120,817.36	
2.	Depreciable Base	10,099,380.53	10,049,512.88	10,030,333.00	9,971,692.05	9,961,050.08	9,963,193.23	10,042,170.43	10,163,895.20	10,375,325.58	10,586,755.96	10,767,982.00	10,919,003.70	11,039,821.06	
3.	Depreciation Expense (A)		23,171.23	23,091.82	23,002.33	22,922.65	22,912.88	23,006.17	23,236.98	23,620.10	24,106.39	24,557.95	24,940.03	25,252.65	283,821.18
4.	Cumulative Plant in Service Additions	10,099,380.53	10,049,512.88	10,030,333.00	9,971,692.05	9,961,050.08	9,963,193.23	10,042,170.43	10,163,895.20	10,375,325.58	10,586,755.96	10,767,982.00	10,919,003.70	11,039,821.06	
5.	Salvage, Cost of Removal and Retirement		(42,644.81)	(36,105.91)	(61,792.78)	(35,813.00)	(55,988.52)	(23,927.19)	(36,285.54)						
6.	Less: Accumulated Depreciation	(131,588.13)	(151,061.71)	(164,075.80)	(202,866.25)	(215,756.60)	(248,832.24)	(248,753.26)	(262,801.82)	(239,181.72)	(215,075.33)	(190,517.38)	(165,577.35)	(140,324.70)	
7.	Net Plant in Service (Line 4 - 6)	10,230,968.66	10,200,574.59	10,194,408.80	10,174,558.30	10,176,806.68	10,212,025.47	10,291,923.69	10,426,697.02	10,614,507.30	10,801,831.29	10,958,499.38	11,084,581.05	11,180,145.76	
8.	Net Additions/Reductions to CWIP		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9.	CWIP Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10.	Inventory	2,251,305.73	2,302,640.32	2,317,292.24	2,333,677.68	2,283,423.42	2,238,737.65	2,204,126.23	2,040,640.30	2,055,077.18	1,923,952.38	1,803,322.85	1,699,242.73	1,611,712.00	
11.	Net Investment	12,482,274.42	12,503,214.91	12,511,701.04	12,508,235.98	12,460,230.10	12,450,763.12	12,496,049.92	12,467,337.32	12,669,584.48	12,725,783.67	12,761,822.23	12,783,823.78	12,791,857.76	
12.	Average Net Investment		12,492,744.65	12,507,457.98	12,509,968.51	12,484,233.04	12,455,496.61	12,473,406.52	12,481,693.62	12,568,460.90	12,697,684.07	12,743,802.95	12,772,823.00	12,787,840.77	
13.	Rate of Return / 12 (B)		0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	0.009434	
14.	Return Requirement on Average Net Investment		117,856.55	117,995.36	118,019.04	117,776.25	117,505.16	117,674.12	117,752.29	118,570.86	119,789.95	120,225.04	120,498.81	120,640.49	1,424,303.92
15.	Property Tax		10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.09	10,285.13	123,421.12
16.	Total Depreciation, Prop Taxes & Return (Line 3 + 14 + 15)		151,312.87	151,372.27	151,306.46	150,983.99	150,703.13	150,955.38	151,274.36	152,476.05	154,181.43	155,068.08	155,723.93	156,178.27	1,831,546.22

Notes:
(A) Energy Select Property Additions Depreciated at 2.8% per year
(B) Revenue Requirement Return (includes Income Taxes) is 11.321%

Florida Public Service Commission
Docket No. 090002-EG
GULF POWER COMPANY
Witness: John N. Floyd
Exhibit No. _____
(JNF-2)
Schedule C-3
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GULF POWER COMPANY
CALCULATION OF CONSERVATION REVENUES
For the Period: August, 2009 Through December, 2009

	<u>Month</u>	<u>Projected MWH Sales</u>	<u>Rate (Avg Cents/KWH)</u>	<u>Clause Revenue Net of Revenue Taxes (\$)</u>
1.	08/2009	1,152,972	0.08159442	940,760.87
2.	09/2009	988,922	0.08169224	807,872.49
3.	10/2009	849,588	0.08119494	689,822.45
4.	11/2009	750,196	0.08070910	605,476.44
5.	12/2009	867,181	0.08076564	700,384.22

Program Description and Progress

Program Title: Residential Energy Survey

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

Program Projections: For the period January 2010 through December 2010, the Company expects to conduct 4,000 surveys and incur expenses totaling \$1,280,467.

Program Accomplishments: During the first seven months of 2009, 3,424 surveys were completed compared to the projection of 3,980 surveys for this period, a difference of 556 surveys. There were 1,548 more on-site surveys than projected, offset by 1,931 less pre-construction and 173 mail-in surveys than expected during this period. The total projection for 2009 is 5,600 surveys.

Program Fiscal Expenditures: Actual expenses for January through July 2009 were \$679,556 compared to a budget of \$778,986 for the same period. This results in a difference of \$99,430 or 12.8% under budget.

Program Progress Summary: Since the approval of this program, Gulf Power Company has performed 160,216 residential energy surveys. This is a result of Gulf Power's promotional campaign to solicit energy surveys as well as the overall rapport established with its customers as the "energy experts" in Northwest Florida.

Program Description and Progress

Program Title: Residential Geothermal Heat Pump

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

Program Projections: Gulf estimates the installation of 200 units during the 2010 period and expenses of \$550,690. Gulf Power Company's program includes promotion, rebates, education, training, and estimated heating and cooling savings for new and existing home customers.

Program Accomplishments: During the current recovery period, 41 geothermal heat pump units have been installed thus far. The total projection for 2009 is 100 units.

Program Fiscal Expenditures: For the first seven months of the 2009 recovery period, expenses were projected to be \$230,475 compared to actual expenses of \$101,643 for a deviation of \$128,832 or 55.9% below budget.

Program Progress Summary: To date, 2,508 units have been installed.

Program Description and Progress

Program Title: Energy Select

Program Description: The program is designed to provide the customer with a means of conveniently and automatically controlling and monitoring his/her energy purchases in response to prices that vary during the day and by season in relation to the Company's cost of producing or purchasing energy.

Program Projections: During the 2010 projection period, Gulf Power plans to have 1,250 installations. This projection assumes that Gulf will receive delivery of new and upgraded equipment from its manufacturer during the first quarter of 2010. The program expenses are projected to be \$2,059,985 in depreciation, return on investment and property taxes; \$1,306,374 for payroll and benefits; \$4,235,162 for materials and expenses; and \$375,000 in advertising. These expenses totaling \$7,976,521 will be partially offset by projected program revenues of \$935,376 for a net total of \$7,041,145.

Program Accomplishments: After a 16 month suspension, active promotion of the program resumed in April 2009, in anticipation of the new equipment's arrival during first quarter 2010. This period of inactive promotion combined with removals due to customers eliminating land telephone lines yielded a net increase of 21 units during the first seven months of 2009. It is anticipated that there will be 100 net new systems installed by the end of the year.

Program Fiscal Expenditures: There were projected expenses of \$4,038,601 for the period January through July 2009 with actual expenses of \$3,665,561. This results in a deviation of \$373,040 or 9.2% under budget.

Program Progress Summary: As of July 2009, there are 8,737 participating customers.

Program Description and Progress

Program Title: Commercial/Industrial Energy Analysis

Program Description: This program is designed to provide professional advice to our existing commercial and industrial customers on how to reduce, and make the most efficient use of, energy. This program covers from the smallest commercial customer, requiring only a walk-through survey, to the use of computer programs which will simulate several design options for very large energy intensive customers. The program is designed to include semi-annual and annual follow-ups with the customer to verify any conservation measures installed and to reinforce the need to continue with more conservation efforts. Customers may participate by requesting a basic Energy Analysis Audit (EAA) provided through either an on-site survey or a direct mail survey. A more comprehensive analysis can be provided by conducting a Technical Assistance Audit (TAA).

Program Projections: For the period January 2010 through December 2010, the Company expects to conduct 300 audits and incur expenses totaling \$674,919.

Program Accomplishments: During the January through July 2009 period, actual results were 373 audits. The total projection for 2009 is 550 audits.

Program Fiscal Expenditures: Forecasted expenses were \$414,402 for the first seven months of 2009 compared to actual expenses of \$360,032 for a deviation of \$54,370 or 13.1% under budget.

Program Progress Summary: A total of 19,182 audits have been completed since the program's inception.

Program Description and Progress

Program Title: Good Cents 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 2010 recovery period, Gulf expects to certify 180 Good Cents Buildings and incur expenses totaling \$598,675.

Program Accomplishments: Certification of 73 buildings has been achieved during January through July 2009. The total projection for 2009 is 180 buildings.

Program Fiscal Expenditures: Forecasted expenses for January through July 2009 were \$381,539 compared to actual expenses of \$342,164 for a deviation of \$39,375 or 10.3% under budget.

Program Progress Summary: A total of 9,261 commercial buildings have qualified for the Good Cents 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 2010 period and expenses of \$158,962. 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 2009 period, there were 12 units installed. The total projection for 2009 is 20 units.

Program Fiscal Expenditures: Forecasted expenses for January through July, 2009 were \$79,728 compared to actual expenses of \$48,263 for a deviation of \$31,465 or 39.5% under budget.

Program Progress Summary: To date, 26 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 2010 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 2009, there have been no reported reductions resulting from Energy Services. The total projection for 2009 includes at the meter energy reductions of 1,178,470 kWh, and at the meter demand reductions of 510 kW winter and 275 kW summer.

Program Fiscal Expenditures: Forecasted expenses for January through July 2009 were \$148,750 with \$391 in expenses incurred during this period.

Program Progress Summary: Total reductions at the meter of 14,291,691 kWh, 3,126 kW winter and 4,829 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 in which customers may purchase photovoltaic energy in 100-watt blocks. 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. As of July 2009, 54 customers have signed up for 66 100-watt blocks of energy.

Solar for Schools: The principle objective of the Solar for Schools program is to implement solar education and demonstration projects, in conjunction with the Florida Solar Energy Center, 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 Initiative: Gulf continues to evaluate and develop renewable energy sources and offerings. During 2008, Gulf added resources to further evaluate several renewable energy generation options including landfill gas, biomass, municipal solid waste, and solar PV projects. Gulf also continues to evaluate opportunities for demand-side renewable energy programs as part of our renewable initiative.

Program Fiscal Expenditures: Program expenses were forecasted at \$154,410 for the period January through July 2009 compared to actual expenses of \$298,585 for a deviation of \$144,175 or 93.4% over budget. Actual expenses were as follows: Solar for Schools, \$17; EarthCents Solar, \$6,769; and Renewable Energy Pilot initiatives, \$291,799.

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:

McDonald's Geothermal Project - This is the first full Geothermal HVAC fast food restaurant to be constructed within Gulf Power Company's service area. The objective of this project is to demonstrate the energy and electrical demand benefits of this geothermal restaurant system as compared to other like restaurants operated by the same owner in the same geographic location. Additional benefits of developing a hot water consumption profile for this restaurant will be obtained within this project. Data collection for one year began January, 2008 and a final report should be available by year-end, 2009.

UWF BEST House - Gulf Power has entered into a partnership, along with a number of other donors, with the University of West Florida, located in Pensacola, Florida, to help build the BEST (Build Educate Sustain Technology) House. This is a demonstration house that will be used as an educational tool and resource for Northwest Florida.

The BEST House program's intent is to provide a home featuring energy-efficient, sustainable design techniques available to the median homebuilder and buyer of today. The 3,300 square foot, three-bedroom home is a study model featuring passive solar collectors, grey-water and rainwater collection systems, advanced insulation systems, a geothermal heat pump, whole-house ventilation, energy-efficient appliances and lighting, day-lighting, and sustainable building products. The most ambitious goal, however, is to make this an *off-grid* project with photovoltaic panels and a battery array substantial enough to supply all of the electrical power needed on site with an excess that can be sold.

Gulf Power is acting as the primary Energy Consultant to all end uses and new technologies that will continue to be donated to this project. Gulf Power will pay for the purchase, installation and monitoring of equipment that will provide data on a wide variety of energy and water end uses.

General economic conditions affecting sponsor support and permitting problems have delayed construction of the BEST House. Construction of the garage/exposition center has been rescheduled to precede the main house to better track the national economic recovery projection. Despite the delays, all participants remain optimistic and enthusiastic about the completion and potential contributions of the BEST House.

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

After a number of delays since its inception in 2005, the Electrode Boiler CDD Project was installed and made ready for operation in 2007. For various reasons, including newness of the technology, relative costs of electricity and natural gas, operator proficiency, etc., the County has not yet operated the boiler for any extended period of time. A final report on this project will be submitted by the end of 2009.

Variable-Speed Pool Pump - Two residential pool pumping configurations will be monitored and data gathered to determine and compare the kW and kWh consumption of the existing, conventional pumps, relative to the more

technologically advanced and energy-efficient variable-speed pumping technology. This data will be gathered for both pumps under normal, but varied, operational scenarios such as long-term water filtration and short-term pool maintenance.

Monitoring of the conventional pumps began July, 2009, and monitoring of the variable-speed pumps is scheduled to begin September, 2009.

Program Fiscal Expenditures: Program expenses were forecasted at \$165,388 for the period January through July 2009 compared to actual expenses of \$49,582 for a deviation of \$115,806 or 70.0% under budget. Project expenses were as follows: Electrode Boiler, \$6,146; McDonald's Geothermal, \$6,145; UWF BEST House, \$31,145; Variable-Speed Pool Pump, \$6,146.

Program Description and Progress

Program Title: Solar Thermal Water Heating Program Pilot

Program Description: Gulf Power's Solar Thermal Water Heating Pilot Program was designed to gauge utility customer interest in, and acceptance of, the technology, as well as determine what economic incentives may be most effective in increasing the public's willingness to install the technology in their homes. Gulf is offering a \$1,000 rebate payable to customers after a qualifying system has been installed by the customer and inspected by Company personnel. The program also includes a demonstration of the solar thermal water heating technology in a low-income multi-family application.

Program Projections: Although the Commission approved this pilot program for only one year in Order No. PSC-08-0802-PAA-EG, Gulf anticipates requesting extension of a modified version of this pilot program as part of the Company's upcoming DSM plan. At this time specific program standards have not been determined, however, \$115,000 in expenses have been projected for 2010 in anticipation of the program's continued operation.

Program Accomplishments: Through July 2009, 40 Gulf Power Residential customers throughout Gulf's service area received the \$1,000 rebate for installing a qualified Solar Thermal Water Heating System, and nearly 200 additional customers have inquired about the technology but not yet participated in the program. Based on the program participation to date, Gulf projects that a total of 75-80 participants will receive the program rebate by the end of the one-year pilot.

Monitoring and Evaluation: Gulf is currently conducting load research on those customers that have participated in the program. Data collection is still preliminary but will be used along with customer billing data at the end of the pilot to aid in validating estimates of demand and energy reductions associated with solar thermal water heating.

Promotion and Advertising: To date, several forms of media have been used to promote the pilot program and raise customer awareness of solar

water heating technology. These media forms include internet, bill inserts, National Public Radio ads, and newspaper ads in publications across Gulf Power's service area. Program brochures were also developed to aid in promoting the program as well as to assist customers with guidelines for successful system installations.

Low-Income Housing Project: Gulf Power proposed to demonstrate solar thermal water heating in a low-income multi-family application at an estimated cost of \$375,000. Gulf Power is continuing to work with a low-income housing development to facilitate the installation of solar water heating systems in this type of application. Installations are projected to begin during the fourth quarter of 2009.

Program Fiscal Expenditures: Program expenses were forecasted at \$301,583 for the period January through July 2009 compared to actual expenses of \$73,745 for a deviation of \$227,838 or 75.5% under budget.

Program Description and Progress

Program Title: Energy Education Pilot Program

Program Description: The objective of the Energy Education program is to raise awareness of energy efficiency and conservation and to increase participation in conservation opportunities, including Gulf's existing and future energy efficiency and conservation programs. The Program consists of four components:

1. Consumer Awareness
2. School-Based Education
 - a. Science Teacher Training
 - b. Eighth Grade Instructional Assistance
3. Community-Based Education
4. Contractor Education

Program Projections: Although the Commission approved this pilot program for only one year in Order No. PSC-08-0802-PAA-EG, Gulf anticipates requesting approval of aspects of this program as part of the Company's DSM plan for the period 2010 through 2019. At this time the full scope of program components has not been determined, however, \$260,000 in expenses have been projected for 2010 in anticipation of the program's continued operation.

Program Accomplishments:

School-Based Education

The School-based Education component is a training program for middle school science teachers, as well as a resource for support materials to augment the teachers' energy-related lesson plans. Gulf has partnered with the non-profit National Energy Education Development (NEED) Project to provide training and materials customized to specific school and district needs in carrying out the Florida Department of Education's Sunshine State Standards for Science.

Classroom: During the spring of 2009, Gulf Power demonstrated hands-on activities and energy concepts to more than 3,300 middle school students and 36 science teachers at 13 schools throughout Northwest Florida. As a result of this program exposure to one-third of the middle schools in the counties which have schools that are Gulf Power customers,

every school district has agreed to adopt the materials as part of the energy curriculum for the 2009-2010 school year. During the first month of the new school year, Gulf Power is providing every seventh- and eighth-grade middle school teacher with NEED teacher and student guidebooks and activities in more than six different energy-related subjects ranging from energy sources to energy conservation and school energy management. At the same time, each middle school will be provided with two hands-on experiments kits: 1) energy conservation; and 2) solar energy.

Teacher: During the summer of 2009, Gulf Power provided two one-day teacher workshops in conjunction with NEED instructors. Forty middle school science teachers and district curriculum coordinators participated to earn continuing education credits. Teacher evaluations of the energy-related curriculum and materials were exceptionally high, and every school district has requested additional teacher workshops. Gulf Power has two additional teacher workshops planned for the fall of 2009.

Summer camp: Gulf Power partnered with universities, community colleges, public schools and workforce development agencies to offer seven intensive energy awareness camps throughout Northwest Florida during the summer of 2009. These camps ranged from five days to half-day sessions and gave in-depth, fun instruction in energy and conservation to more than 130 middle school and high school age children, including two camps for low-income families.

Contractor Education

Gulf Power provided two one-day workshops for 58 contractors and vendors that covered the five critical aspects of building an energy efficient home -- Framing, Electrical/Plumbing, Air Sealing, Insulation, and HVAC. All Gulf Power Marketing reps also completed the training.

Community-Based Education

Gulf Power employees have increased energy awareness exposure in the communities we serve by doubling participation at events and meetings through energy efficiency and conservation educational displays and presentations. A complete display booth as well as presentations and handouts were created that focused on energy use and ways to conserve energy.

Consumer Awareness

The Consumer Awareness Campaign provides general energy efficiency and conservation messages and supplements existing Gulf advertising for conservation programs by associating all programs and services with a common overarching energy conservation message. Overall, television, billboard, radio, print, and on-line media have been used in addition to other venues including customer home energy makeovers in partnership with local TV stations and vendors; energy tip of the day opportunities; and shopping mall energy expos to increase energy efficiency awareness.

Monitoring and Evaluation

Gulf conducted initial survey of 300 customers in March to determine a baseline of consumer awareness of energy efficiency and conservation. Two additional surveys are planned, with the last to be conducted in September.

Program Fiscal Expenditures: Program expenses were forecasted at \$589,169 for the period January through July 2009 compared to actual expenses of \$534,721 for a deviation of \$54,448 or 9.2% under budget.