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May 5, 2015

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

Dear Ms. Stauffer:

RE: Docket No. 150002-EG

Attached for electronic filing is the Final True-up Testimony and Exhibit for the period January – December 2014 of John N. Floyd in the above referenced docket.

Pursuant to the Order Establishing Procedure, an electronic copy will be provided to the parties under separate cover.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." in a cursive script.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

md

Attachments

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

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**ENERGY CONSERVATION COST  
RECOVERY CLAUSE**

**Docket No. 150002-EG**

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

**FINAL TRUE-UP FOR THE PERIOD:  
JANUARY – DECEMBER 2014**

**DATE OF FILING: May 5, 2015**



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. 150002-EG  
6 Date of Filing: May 5, 2015

7 Q. Please state your name, business address employer and position.

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

11 Q. Mr. Floyd, please describe your educational background and business  
12 experience.

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

21  
22 Q. Have you previously testified before this Commission in connection with  
23 the Energy Conservation Cost Recovery Clause?

24 A. Yes.

25

1 Q. Mr. Floyd, what is the purpose of your testimony?

2 A. The purpose of my testimony is to present the results of the approved  
3 Energy Conservation Cost Recovery Clause programs and related  
4 expenses for January 2014 through December 2014.

5

6 Q. Are you sponsoring any exhibits to your testimony?

7 A. Yes, I sponsor Exhibit JNF-1, Schedules CT-1 through CT-6.

8

9 Q. Have you verified that the information contained in Exhibit JNF-1 is  
10 correct?

11 A. Yes, I have. This exhibit was prepared under my direction and control,  
12 and the information contained therein is true and correct to the best of my  
13 knowledge.

14 Counsel: We ask that Mr. Floyd's exhibit consisting of 6 Schedules, CT-  
15 1 through CT-6, be marked for identification as:

16 Exhibit No. \_\_\_\_ (JNF-1)

17

18 Q. Please summarize for this Commission the deviations between the actual  
19 expenses for this recovery period and the amount of estimated/actual  
20 expenses previously filed with this Commission.

21 A. The estimated/actual true-up net expenses for the entire recovery period  
22 January 2014 through December 2014, previously filed were \$19,087,404  
23 while the actual expenses incurred in 2014 were \$17,412,618 resulting in  
24 a variance of (\$1,674,786) or 8.8% under the projection. See Schedule  
25 CT-2, Line 10.

1 Q. Mr. Floyd, would you explain the January 2014 through December 2014  
2 variance?

3 A. Yes. The variance was a result of actual expenses being less than  
4 estimated in almost all programs. These variances were offset by the  
5 following programs which experienced more actual expenses than  
6 estimated: Variable Speed Pool Pump, Refrigerator Recycling,  
7 Commercial HVAC Occupancy Sensor, Food Services, Energy Select  
8 Electric Vehicle Pilot and Conservation Demonstration and Development.  
9 Overall, these variances mean that actual program expenses for the 12  
10 month period through December 2014 were \$1,674,786 less than the level  
11 of estimated/actual program expenses filed on August 27, 2014. A more  
12 detailed description of the deviations is contained in Schedule CT-6.  
13

14 Q. Mr. Floyd, what was Gulf's adjusted net true-up for the period January  
15 2014 through December 2014?

16 A. There was a \$560,637 over-recovery as shown on Schedule CT-1.  
17

18 Q. Please describe your program participation levels during the recovery  
19 period.

20 A. A more detailed review of each of the programs is included in my  
21 Schedule CT-6. The following is a synopsis of program participation  
22 levels during this recovery period.

23 (A) Residential Energy Surveys - During the 2014 recovery period, the  
24 Company completed 7,927 surveys compared to the projection of  
25 10,061.

- 1 (B) Home Energy Reporting – During the 2014 recovery period, a total  
2 of 39,171 customers were enrolled in the Home Energy Reporting  
3 program as projected
- 4 (C) Community Energy Saver – During the 2014 recovery period, the  
5 Company implemented a total of 2,326 efficiency measures for  
6 eligible participants compared to a projection of 2,500.
- 7 (D) Landlord-Renter Custom Incentive – During the 2014 recovery  
8 period, no participants enrolled in this program compared to a  
9 projection of 0 participants.
- 10 (E) HVAC Efficiency – During the 2014 recovery period, there were a  
11 total of 10,166 participants in this program compared to a projection  
12 of 12,091.
- 13 (F) Heat Pump Water Heater – During the 2014 recovery period, a total  
14 of 471 heat pump water heaters were installed compared to a  
15 projection of 643.
- 16 (G) Ceiling Insulation – During the 2014 recovery period, a total of 271  
17 participants installed high efficiency ceiling insulation compared to a  
18 projection of 226.
- 19 (H) High Performance Window – During the 2014 recovery period, a  
20 total of 626 customers installed high efficiency windows and 56  
21 customers installed window film compared to projections of 750 and  
22 200, respectively.
- 23 (I) Reflective Roof – During the 2014 recovery period, a total of 97  
24 participants installed a qualified reflective roof compared to a  
25 projection of 281.

- 1 (J) Variable Speed Pool Pump – During the 2014 recovery period, a  
2 total of 287 participants installed a high-efficiency variable speed  
3 pool pump compared to a projection of 218.
- 4 (K) Energy Select/Energy Select LITE - During the 2014 recovery  
5 period, there was a net increase of 1,754 customers (*Energy Select*  
6 and *Energy Select LITE* combined) with a total of 14,381 customers  
7 on-line at December 31, 2014. Gulf projected 1,600 net new  
8 customer additions during 2014.
- 9 (L) Self-Install Efficiency – During the 2014 recovery period, 677  
10 customers installed qualifying ENERGY STAR appliances  
11 compared to a projection of 3,854.
- 12 (M) Refrigerator Recycling – During the 2014 recovery period, 903  
13 customers participated in the Refrigerator Recycling program  
14 compared to a projection of 218 participants.
- 15 (N) Commercial/Industrial (C/I) Energy Analysis - During the 2014  
16 recovery period, a total of 487 C/I Energy Analyses were completed  
17 compared to a projection of 600.
- 18 (O) Commercial HVAC Retrocommissioning – During the 2014  
19 recovery period, there were 64 participants in this program  
20 compared to a projection of 169.
- 21 (P) Commercial Building Efficiency - During the 2014 recovery period,  
22 1,606 tons of Commercial HVAC were completed, 73 tons of  
23 geothermal were installed, one heat pump water heater was  
24 installed, 4,742 sq. ft. of ceiling insulation and 2,122 sq. ft. of  
25 window film were installed, 1,672 kW of Commercial interior lighting

1 was installed, 3,650 lighting occupancy sensors were installed and  
2 533,691 sq. ft. of reflective roof installed. Comparisons to 2014  
3 projections can be found in Schedule CT-6.

4 (Q) HVAC Occupancy Sensor – During the 2014 recovery period, a  
5 total of 82 HVAC occupancy sensors were installed compared to a  
6 projection of 146 sensors.

7 (R) High Efficiency Motors – During the 2014 recovery period, 1,527  
8 HP of high-efficiency motors were installed compared to a  
9 projection of 2,754 HP.

10 (S) Food Service Efficiency - During the 2014 recovery period, there  
11 were 11 participants in this program compared to a projection of 11.

12 (T) Commercial/Industrial Custom Incentive – During the 2014  
13 recovery period, there were no participants in this program.

14 (U) Renewable Energy – During the 2014 recovery period, 0 Solar for  
15 Schools PV, 50 Solar PV, 29 Solar Thermal Water Heater and 14  
16 Solar Thermal Water Heater for Low Income systems were  
17 installed. Further description of the participation in the Renewable  
18 Energy pilot programs can be found in Schedule CT-6.

19 (V) Conservation Demonstration and Development – Further  
20 description of the 2014 Conservation Demonstration and  
21 Development projects can be found in Schedule CT-6.

22

23 Q. Should Gulf's recoverable energy conservation cost for the period be  
24 accepted as reasonable and prudent?

25 A. Yes.

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

2 A. Yes, it does.

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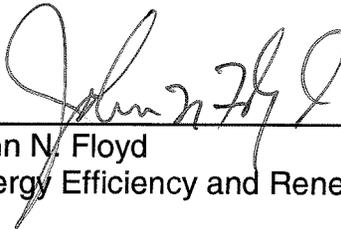
25

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 150002-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 4<sup>th</sup> day of May, 2015.

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



MELISSA A. DARNES  
MY COMMISSION # EE 150873  
EXPIRES: December 17, 2015  
Bonded Thru Budget Notary Services

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**Schedule CT-1**

**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
**For the Period: January 2014 - December 2014**

	<u>\$</u>	<u>\$</u>
Actual		
1. Principal	(2,640,808)	
2. Interest	<u>(3,317)</u>	
3. Actual Over/(Under) Recovery Ending Balance		(2,644,125)
Estimated/Actual as filed August 27, 2014		
4. Principal	(3,201,541)	
5. Interest	<u>(3,221)</u>	
6. Total Estimated/Actual Over/(Under) Recovery		<u>(3,204,762)</u>
7. Adjusted Net True-up Over/(Under) Recovery (Line 3 - 6)		<u><u>560,637</u></u>

**Schedule CT-2**

**Gulf Power Company**  
**ENERGY CONSERVATION COST RECOVERY (ECCR)**  
**Calculation of the Final True-Up Amount**  
**For the Period: January 2014 - December 2014**

**Analysis of Energy Conservation Program Costs**  
**Actual Compared to Estimated/Actual**

	<u>Actual</u>	<u>Est/Actual</u>	<u>Difference</u>
	\$	\$	\$
1. Depreciation, Return & Property Tax	2,067,569.87	2,066,152.71	1,417.16
2. Payroll & Benefits	5,438,352.04	5,455,125.73	(16,773.69)
3. Materials & Supplies	4,823,359.08	5,745,557.00	(922,197.92)
4. Advertising	263,685.80	328,312.40	(64,626.60)
5. Incentives	4,819,636.37	5,492,240.84	(672,604.47)
6. Adjustments	0.00	0.00	0.00
7. Other	0.00	0.00	0.00
8. Subtotal	<u>17,412,603.16</u>	<u>19,087,388.68</u>	<u>(1,674,785.52)</u>
9. Program Revenues	<u>(15.00)</u>	<u>(15.00)</u>	<u>0.00</u>
10. Total Program Costs	<u>17,412,618.16</u>	<u>19,087,403.68</u>	<u>(1,674,785.52)</u>
11. Less: Payroll Adjustment	0.00	0.00	0.00
12. Amounts Inc. in Base Rate	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
13. Conservation Adjustment Revenues	<u>21,738,171.32</u>	<u>22,852,223.45</u>	<u>(1,114,052.13)</u>
14. Rounding Adjustment	<u>21,738,171.00</u>	<u>22,852,223.00</u>	<u>(1,114,052.00)</u>
15. True-up Before Adjustment Over/(Under) Recovery	4,325,553	3,764,820	560,733
16. Interest Provision	(3,317)	(3,221)	(96)
17. Prior Period True-up	(6,966,361)	(6,966,361)	0
18. Other	<u>0</u>	<u>0</u>	<u>0</u>
19. End of Period True-up	<u>(2,644,125)</u>	<u>(3,204,762)</u>	<u>560,637</u>

**Gulf Power Company**  
**ENERGY CONSERVATION COST RECOVERY (ECCR)**  
**Calculation of the Final True-Up Amount**  
**For the Period: January 2014 - December 2014**

**Conservation Costs By Program**  
**Variance Actual Vs. Estimated/Actual**

Program	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Material & Expenses	Other	Advertising	Incentives	Sub-Total	Program Revenues	Total
<b>Residential Conservation Programs:</b>									
1. Residential Energy Audit and Education	0.00	(24,127.83)	(146,296.10)	0.00	(45,390.09)	0.00	(215,814.02)	0.00	(215,814.02)
2. Community Energy Saver	0.00	(219.17)	(218,369.04)	0.00	0.00	0.00	(218,588.21)	0.00	(218,588.21)
3. Landlord-Renter Custom	0.00	(13,205.74)	(290.19)	0.00	0.00	0.00	(13,495.93)	0.00	(13,495.93)
4. HVAC Efficiency	0.00	(1,744.21)	(98,996.60)	0.00	1,975.00	(236,714.00)	(335,479.81)	0.00	(335,479.81)
5. Heat Pump Water Heater	0.00	(17.10)	16,550.78	0.00	0.00	(58,600.00)	(42,066.32)	0.00	(42,066.32)
6. Ceiling Insulation	0.00	16.53	8,004.71	0.00	0.00	(11,551.05)	(3,529.81)	0.00	(3,529.81)
7. High Performance Window	0.00	734.95	10,406.11	0.00	0.00	(38,023.50)	(26,882.44)	0.00	(26,882.44)
8. Reflective Roof	0.00	93.98	6,250.60	0.00	0.00	(57,685.50)	(51,340.92)	0.00	(51,340.92)
9. Variable Speed Pool Pump	0.00	(504.20)	4,360.86	0.00	0.00	(340.00)	3,516.66	0.00	3,516.66
10. Energy Select / Energy Select LITE	1,417.16	16,466.40	(455,170.57)	0.00	(21,211.51)	0.00	(458,498.52)	0.00	(458,498.52)
11. Self-Install Energy Efficiency	0.00	753.64	5,639.90	0.00	0.00	(127,192.87)	(120,799.33)	0.00	(120,799.33)
12. Refrigerator Recycling	0.00	56.22	59,375.64	0.00	0.00	15,876.00	75,307.86	0.00	75,307.86
<b>Commercial / Industrial Conservation Programs:</b>									
13. Commercial / Industrial Energy Audit	0.00	(1,963.50)	(1,799.94)	0.00	0.00	0.00	(3,763.44)	0.00	(3,763.44)
14. HVAC Retrocommissioning	0.00	(569.67)	(7,854.53)	0.00	0.00	(13,760.00)	(22,184.20)	0.00	(22,184.20)
15. Commercial Building Efficiency	0.00	9,181.18	3,660.26	0.00	0.00	(111,195.55)	(98,354.11)	0.00	(98,354.11)
16. HVAC Occupancy Sensor	0.00	61.77	1,102.84	0.00	0.00	(270.00)	894.61	0.00	894.61
17. High Efficiency Motors	0.00	(2,563.04)	(7,918.54)	0.00	0.00	(12,000.00)	(22,481.58)	0.00	(22,481.58)
18. Food Services	0.00	5,815.55	4,916.34	0.00	0.00	(2,500.00)	8,231.89	0.00	8,231.89
19. Commercial / Industrial Custom Incentive	0.00	(1,293.80)	628.29	0.00	0.00	(1,000.00)	(1,665.51)	0.00	(1,665.51)

**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
For the Period: January 2014 - December 2014

**Conservation Costs By Program**  
**Variance Actual Vs. Estimated/Actual**

Program	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Material & Expenses	Other	Advertising	Incentives	Sub-Total	Program Revenues	Total
<b>Renewable Energy Plan:</b>									
20. Renewable Energy Plan Common	0.00	(1,194.23)	(729.78)	0.00	0.00	0.00	(1,924.01)	0.00	(1,924.01)
21. Solar for Schools	0.00	0.00	(110,000.00)	0.00	0.00	0.00	(110,000.00)	0.00	(110,000.00)
22. Solar Thermal Water Heating	0.00	0.00	0.00	0.00	0.00	(6,000.00)	(6,000.00)	0.00	(6,000.00)
23. Solar PV	0.00	0.00	0.00	0.00	0.00	(10,000.00)	(10,000.00)	0.00	(10,000.00)
24. Solar Thermal Water Heating for Low-Income	0.00	0.00	0.00	0.00	0.00	(3,648.00)	(3,648.00)	0.00	(3,648.00)
25. Energy Select Electric Vehicle Pilot	0.00	0.00	0.00	0.00	0.00	2,000.00	2,000.00	0.00	2,000.00
26. Conservation Demonstration and Development:	0.00	(2,551.42)	4,331.04	0.00	0.00	0.00	1,779.62	0.00	1,779.62
27. Less Base Rate Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28. Total All Programs	1,417.16	(16,773.69)	(922,197.92)	0.00	(64,626.60)	(672,604.47)	(1,674,785.52)	0.00	(1,674,785.52)

**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
For the Period: January 2014 - December 2014

**Conservation Costs By Program  
Actual Expenses**

Program	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Material & Expenses	Other	Advertising	Incentives	Sub-Total	Program Revenues	Total
<b>Residential Conservation Programs:</b>									
1. Residential Energy Audit and Education	10,737.63	1,631,453.94	374,905.90	0.00	129,609.91	0.00	2,146,707.38	0.00	2,146,707.38
2. Community Energy Saver	0.00	43,350.71	584,915.96	0.00	0.00	0.00	628,266.67	0.00	628,266.67
3. Landlord-Renter Custom	0.00	115,002.11	13,511.98	0.00	0.00	0.00	128,514.09	0.00	128,514.09
4. HVAC Efficiency	0.00	241,788.26	1,142,649.17	0.00	4,708.40	2,807,346.00	4,196,491.83	0.00	4,196,491.83
5. Heat Pump Water Heater	0.00	149,207.77	35,165.49	0.00	0.00	182,889.35	367,262.61	0.00	367,262.61
6. Ceiling Insulation	0.00	115,648.31	25,128.14	0.00	0.00	66,888.70	207,665.15	0.00	207,665.15
7. High Performance Window	0.00	119,489.63	27,808.86	0.00	0.00	97,001.09	244,299.58	0.00	244,299.58
8. Reflective Roof	0.00	111,453.40	21,233.68	0.00	0.00	31,967.00	164,654.08	0.00	164,654.08
9. Variable Speed Pool Pump	0.00	132,731.23	23,070.87	0.00	0.00	28,312.19	184,114.29	0.00	184,114.29
10. Energy Select / Energy Select LITE	2,056,832.24	1,204,192.98	2,210,717.43	0.00	128,788.49	0.00	5,600,531.14	(15.00)	5,600,546.14
11. Self-Install Energy Efficiency	0.00	37,351.06	35,015.64	0.00	0.00	79,581.80	151,948.50	0.00	151,948.50
12. Refrigerator Recycling	0.00	50,363.17	132,706.63	0.00	0.00	32,900.00	215,969.80	0.00	215,969.80
<b>Commercial / Industrial Conservation Programs:</b>									
13. Commercial / Industrial Energy Audit	0.00	628,763.69	71,306.52	0.00	0.00	0.00	700,070.21	0.00	700,070.21
14. HVAC Retrocommissioning	0.00	28,456.10	9,965.55	0.00	0.00	8,795.00	47,216.65	0.00	47,216.65
15. Commercial Building Efficiency	0.00	459,291.75	70,857.26	0.00	579.00	869,579.96	1,400,307.97	0.00	1,400,307.97
16. HVAC Occupancy Sensor	0.00	28,266.24	3,649.39	0.00	0.00	7,730.00	39,645.63	0.00	39,645.63
17. High Efficiency Motors	0.00	38,818.42	1,582.46	0.00	0.00	9,433.64	49,834.52	0.00	49,834.52
18. Food Services	0.00	63,699.06	8,384.35	0.00	0.00	2,359.64	74,443.05	0.00	74,443.05
19. Commercial / Industrial Custom Incentive	0.00	66,554.30	6,743.90	0.00	0.00	0.00	73,298.20	0.00	73,298.20

**Gulf Power Company**  
**ENERGY CONSERVATION COST RECOVERY (ECCR)**  
**Calculation of the Final True-Up Amount**  
**For the Period: January 2014 - December 2014**

**Conservation Costs By Program**  
**Actual Expenses**

Program	Capital Return, Property Taxes & Depreciation	Payroll & Benefits	Material & Expenses	Other	Advertising	Incentives	Sub-Total	Program Revenues	Total
<b>Renewable Energy Plan:</b>									
20. Renewable Energy Plan Common	0.00	131,751.33	8,156.87	0.00	0.00	0.00	139,908.20	0.00	139,908.20
21. Solar for Schools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22. Solar Thermal Water Heating	0.00	0.00	0.00	0.00	0.00	29,000.00	29,000.00	0.00	29,000.00
23. Solar PV	0.00	0.00	0.00	0.00	0.00	490,000.00	490,000.00	0.00	490,000.00
24. Solar Thermal Water Heating for Low-Income	0.00	0.00	0.00	0.00	0.00	71,352.00	71,352.00	0.00	71,352.00
25. Energy Select Electric Vehicle Pilot	0.00	0.00	0.00	0.00	0.00	4,500.00	4,500.00	0.00	4,500.00
<b>26. Conservation Demonstration and Development:</b>									
a. UWF Best House	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Azalea Trace Heat Pump Water Heater	0.00	28,366.29	3,601.56	0.00	0.00	0.00	31,967.85	0.00	31,967.85
c. 10th Ave Hair Salon Heat Pump Water Htr	0.00	12,352.29	12,281.47	0.00	0.00	0.00	24,633.76	0.00	24,633.76
d. Total	0.00	40,718.58	15,883.03	0.00	0.00	0.00	56,601.61	0.00	56,601.61
27. Total All Programs	2,067,569.87	5,438,352.04	4,823,359.08	0.00	263,685.80	4,819,636.37	17,412,603.16	(15.00)	17,412,618.16

**Gulf Power Company**  
**ENERGY CONSERVATION COST RECOVERY (ECCR)**  
**Calculation of the Final True-Up Amount**  
**For the Period: January 2014 - December 2014**

**Conservation Costs By Program**  
**Summary of Actual Expenses By Program By Month**

Program	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Residential Conservation Programs:</b>													
1. Residential Energy Audit and Education	147,306.69	220,256.84	196,970.64	147,625.03	137,586.27	142,317.77	240,567.46	108,619.30	190,098.94	253,604.89	168,920.57	182,095.35	2,135,969.75
Amortization & Return on Investment	922.30	917.36	912.43	907.49	902.54	897.60	891.94	887.03	882.10	877.19	872.28	867.37	10,737.63
Total	148,228.99	221,174.20	197,883.07	148,532.52	138,488.81	143,215.37	241,459.40	109,506.33	190,981.04	254,482.08	169,792.85	182,962.72	2,146,707.38
2. Community Energy Saver	4,207.80	45,509.09	44,877.95	61,688.93	49,099.46	48,349.67	59,491.18	53,787.66	61,103.70	139,435.80	(3,079.52)	63,794.95	628,266.67
3. Landlord-Renter Custom	11,091.30	12,237.74	10,494.49	11,812.34	12,174.58	12,217.66	12,810.91	10,698.17	7,542.82	10,110.54	8,185.16	9,138.38	128,514.09
4. HVAC Efficiency	74,179.62	204,325.44	222,750.07	247,818.43	292,361.93	312,845.08	288,596.07	508,444.72	590,880.61	569,641.53	195,344.56	689,303.77	4,196,491.83
5. Heat Pump Water Heater	79,979.40	23,014.54	48,443.70	25,709.10	25,073.66	25,849.73	17,525.80	26,393.30	18,730.19	25,205.48	20,246.58	31,091.13	367,262.61
6. Ceiling Insulation	16,586.00	10,569.43	17,405.52	18,497.38	16,066.42	20,082.80	17,192.41	18,295.08	17,194.31	16,306.06	16,115.29	23,354.45	207,665.15
7. High Performance Window	24,915.84	25,446.79	23,099.24	15,420.81	30,698.49	17,420.36	14,784.49	16,248.82	15,349.07	17,133.69	19,643.04	24,138.94	244,299.58
8. Reflective Roof	17,611.31	9,194.79	12,105.93	11,117.79	11,519.92	10,947.12	10,855.14	16,772.08	15,374.55	17,402.13	13,040.56	18,712.76	164,654.08
9. Variable Speed Pool Pump	14,799.17	10,968.02	13,743.34	15,164.05	16,811.19	16,897.00	16,163.86	17,199.06	16,089.90	15,367.91	13,957.63	16,953.16	184,114.29
10. Energy Select / Energy Select LITE	246,209.11	254,657.80	309,235.59	307,483.70	291,276.90	288,855.07	289,848.33	172,810.45	413,897.22	297,135.87	279,501.17	392,787.69	3,543,698.90
Amortization & Return on Investment	166,480.11	167,684.28	168,153.19	168,623.57	168,862.07	169,226.46	170,015.75	172,610.24	174,773.40	175,938.44	176,848.96	177,615.77	2,056,832.24
Total	412,689.22	422,342.08	477,388.78	476,107.27	460,138.97	458,081.53	459,864.08	345,420.69	588,670.62	473,074.31	456,350.13	570,403.46	5,600,531.14
11. Self-Install Energy Efficiency	5,672.17	3,743.77	9,106.14	3,863.81	11,240.37	4,122.67	15,925.90	(17.06)	20,744.68	33,057.56	16,770.68	27,717.81	151,948.50
12. Refrigerator Recycling	12,421.70	10,294.91	4,641.76	13,299.35	23,595.32	30,842.53	939.20	58,172.65	39,653.99	12,384.44	4,563.73	5,160.22	215,969.80
<b>Commercial / Industrial Conservation Programs:</b>													
13. Commercial / Industrial Energy Audit	55,792.17	51,100.12	69,695.52	56,908.41	60,710.19	60,603.37	55,759.87	53,183.61	64,887.23	62,274.72	50,061.90	59,093.10	700,070.21
14. HVAC Retrocommissioning	92,945.44	(86,052.15)	3,481.36	6,749.33	5,610.63	2,603.54	2,127.70	2,441.95	3,421.75	4,319.32	455,760.98	(446,193.20)	47,216.65
15. Commercial Building Efficiency	425,206.84	92,263.90	132,140.63	270,884.78	52,880.67	42,623.09	53,054.89	52,885.36	53,101.09	48,808.55	73,577.37	102,880.80	1,400,307.97
16. HVAC Occupancy Sensor	10,452.13	2,976.17	3,232.68	2,018.07	2,425.58	2,503.83	2,059.56	2,453.06	2,564.76	3,142.20	2,797.72	3,019.87	39,645.63
17. High Efficiency Motors	3,958.31	8,213.59	4,440.65	4,141.51	3,775.88	3,616.77	3,255.91	3,304.55	2,927.53	3,976.77	3,394.49	4,828.56	49,834.52
18. Food Services	6,131.30	5,264.61	6,978.05	4,286.34	5,961.76	4,515.97	4,310.13	5,383.87	7,528.41	8,897.24	7,850.45	7,334.92	74,443.05
19. Commercial / Industrial Custom Incentive	5,979.41	5,344.45	6,386.35	6,590.76	6,433.50	6,019.90	6,391.34	6,568.62	5,651.88	6,158.85	5,432.48	6,340.66	73,298.20

Docket No. 150002-EG  
2014 Final True-Up Filing  
Exhibit JNF-1, Page 8 of 40

**Gulf Power Company**  
**ENERGY CONSERVATION COST RECOVERY (ECCR)**  
**Calculation of the Final True-Up Amount**  
**For the Period: January 2014 - December 2014**

**Conservation Costs By Program**  
**Summary of Actual Expenses By Program By Month**

Program	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Renewable Energy Plan:</b>													
20. Renewable Energy Plan Common	18,767.05	13,473.28	15,138.47	14,723.94	21,171.06	(12,473.31)	11,934.72	11,328.85	11,553.16	12,321.68	10,182.00	11,787.30	139,908.20
21. Solar for Schools	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
22. Solar Thermal Water Heating	1,000.00	2,000.00	2,000.00	3,000.00	2,000.00	1,000.00	2,000.00	3,000.00	1,000.00	1,000.00	2,000.00	9,000.00	29,000.00
23. Solar PV	190,000.00	130,000.00	114,000.00	6,000.00	20,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	490,000.00
24. Solar Thermal Water Heating for Low-Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71,352.00	0.00	0.00	71,352.00
25. Energy Select Electric Vehicle Pilot	0.00	2,000.00	500.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00	0.00	0.00	0.00	4,500.00
26. Conservation Demonstration and Development:													
a. UWF Best House	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Azalea Trace Heat Pump Water Heater	3,908.09	3,874.03	4,266.38	4,438.49	3,930.95	4,135.32	3,634.73	3,474.44	82.69	119.17	103.56	0.00	31,967.85
c. 10th Ave Hair Salon Heat Pump Water Htr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,598.78	5,547.62	5,134.62	7,352.74	24,633.76
d. Total	3,908.09	3,874.03	4,266.38	4,438.49	3,930.95	4,135.32	3,634.73	3,474.44	6,681.47	5,666.79	5,238.18	7,352.74	56,601.61
27. Total All Programs	1,636,523.26	1,229,278.80	1,444,200.08	1,428,773.41	1,272,169.34	1,246,020.00	1,300,137.29	1,325,945.81	1,742,632.76	1,811,519.65	1,547,226.26	1,428,176.50	17,412,603.16

**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
For the Period: January 2014 - December 2014

**Conservation Costs By Program**  
Calculation of Over/Under Recovery

Conservation Revenues	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. EnergySelect RSVP Fees	(10.00)	(5.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(15.00)
2. Over/(Under) Recovery	2,041,642.41	1,479,947.38	1,432,667.34	1,445,842.30	1,805,833.76	2,142,850.99	2,312,675.16	2,379,609.89	1,968,613.02	1,658,968.41	1,512,706.84	1,556,813.82	21,738,171.32
3. Total Revenues	2,041,632.41	1,479,942.38	1,432,667.34	1,445,842.30	1,805,833.76	2,142,850.99	2,312,675.16	2,379,609.89	1,968,613.02	1,658,968.41	1,512,706.84	1,556,813.82	21,738,156.32
4. Adjustment not Applicable to Period - Prior True Up	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,941.00)	(448,937.00)	(5,387,288.00)
5. Conservation Revenues Applicable to Period	1,592,691.41	1,031,001.38	983,726.34	996,901.30	1,356,892.76	1,693,909.99	1,863,734.16	1,930,668.89	1,519,672.02	1,210,027.41	1,063,765.84	1,107,876.82	16,350,868.32
6. Conservation Expenses (CT-3, Page 3, Line 27)	1,636,523.26	1,229,278.80	1,444,200.08	1,428,773.41	1,272,169.34	1,246,020.00	1,300,137.29	1,325,945.81	1,742,632.76	1,811,519.65	1,547,226.26	1,428,176.50	17,412,603.16
7. True Up this Period (Line 5 - 6)	(43,831.85)	(198,277.42)	(460,473.74)	(431,872.11)	84,723.42	447,889.99	563,596.87	604,723.08	(222,960.74)	(601,492.24)	(483,460.42)	(320,299.68)	(1,061,734.84)
8. Interest Provision this Period (CT-3, Page 5, Line 11)	(422.74)	(375.45)	(368.50)	(394.67)	(377.49)	(288.43)	(218.53)	(194.70)	(157.38)	(144.16)	(172.20)	(203.12)	(3,317.37)
9. True Up & Interest Provision Beginning of Month	(6,966,360.52)	(6,561,874.11)	(6,311,385.98)	(6,323,287.22)	(6,306,613.00)	(5,773,326.07)	(4,876,783.51)	(3,864,464.17)	(2,810,994.79)	(2,585,171.91)	(2,737,867.31)	(2,772,558.93)	(6,966,360.52)
10. Prior True Up Collected or Refunded	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,941.00	448,937.00	5,387,288.00
11. End of Period- Net True Up	(6,561,674.11)	(6,311,385.98)	(6,323,287.22)	(6,306,613.00)	(5,773,326.07)	(4,876,783.51)	(3,864,464.17)	(2,810,994.79)	(2,585,171.91)	(2,737,867.31)	(2,772,558.93)	(2,644,124.73)	(2,644,124.73)

**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
For the Period: January 2014 - December 2014

**Computation of Interest Expense  
Energy Conservation Adjustment**

Interest Provision	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning True up Amount	(6,966,360.52)	(6,561,674.11)	(6,311,385.98)	(6,323,287.22)	(6,306,613.00)	(5,773,326.07)	(4,876,783.51)	(3,864,464.17)	(2,810,994.79)	(2,585,171.91)	(2,737,867.31)	(2,772,558.93)	
2. Ending True up before Interest	(6,561,251.37)	(6,311,010.53)	(6,322,918.72)	(6,306,218.33)	(5,772,948.58)	(4,876,495.08)	(3,864,245.64)	(2,810,800.09)	(2,585,014.53)	(2,737,723.15)	(2,772,386.73)	(2,643,921.61)	
3. Total beginning & ending	(13,527,611.89)	(12,872,684.64)	(12,634,304.70)	(12,629,505.55)	(12,079,561.58)	(10,649,821.15)	(8,741,029.15)	(6,675,264.26)	(5,396,009.32)	(5,322,895.06)	(5,510,254.04)	(5,416,480.54)	
4. Average True up Amount	(6,763,805.95)	(6,436,342.32)	(6,317,152.35)	(6,314,752.78)	(6,039,780.79)	(5,324,910.58)	(4,370,514.58)	(3,337,632.13)	(2,698,004.66)	(2,661,447.53)	(2,755,127.02)	(2,708,240.27)	
5. Interest Rate First Day Reporting Business Month	0.0800	0.0700	0.0700	0.0700	0.0800	0.0700	0.0600	0.0600	0.0800	0.0600	0.0700	0.0800	
6. Interest Rate First Day Subsequent Business Month	0.0700	0.0700	0.0700	0.0800	0.0700	0.0600	0.0600	0.0800	0.0600	0.0700	0.0800	0.1000	
7. Total of Lines 5 and 6	0.1500	0.1400	0.1400	0.1500	0.1500	0.1300	0.1200	0.1400	0.1400	0.1300	0.1500	0.1800	
8. Average Interest rate (50% of Line 7)	0.0750	0.0700	0.0700	0.0750	0.0750	0.0650	0.0600	0.0700	0.0700	0.0650	0.0750	0.0900	
9. Monthly Average Interest Rate Line 8 \ 12	0.000063	0.000058	0.000058	0.000063	0.000063	0.000054	0.000050	0.000058	0.000058	0.000054	0.000063	0.000075	
10. Interest Adjustment													
11. Interest Provision (Line 4 X 9)	(422.74)	(375.45)	(368.50)	(394.67)	(377.49)	(288.43)	(218.53)	(194.70)	(157.38)	(144.16)	(172.20)	(203.12)	(3,317.37)

**Gulf Power Company**  
**ENERGY CONSERVATION COST RECOVERY (ECCR)**  
**Calculation of the Final True-Up Amount**  
**For the Period: January 2014 - December 2014**

**Schedule of Capital Investment, Depreciation and Return**  
**Energy Select**

Line No.	Description	Beginning of Period	January	February	March	April	May	June	July	August	September	October	November	December	Total
1	Investments Added to Plant In Service (Net of Retirements)		207,067.97	50,027.74	55,851.41	41,979.82	(20,887.00)	112,700.41	100,013.06	(40,824.47)	194,574.80	143,346.46	148,291.71	10,885.48	
2	Depreciable Base (Cumulative Plant Additions PM Ln 2 + CM Ln 1)	11,230,325.14	11,437,393.11	11,487,420.85	11,543,272.26	11,585,252.08	11,564,365.08	11,677,065.49	11,777,078.55	11,736,254.08	11,930,828.88	12,074,175.34	12,222,467.05	12,233,352.53	
3	Depreciation Expense (Note A)		25,829.75	26,306.00	26,421.07	26,549.53	26,646.08	26,598.04	26,857.25	27,087.28	26,993.38	27,440.91	27,770.60	28,111.67	322,611.56
4	Salvage, Cost of Removal and Retirement		1,294.83	(191,945.98)	(126,127.96)	(127,198.10)	(142,856.56)	(145,416.22)	(111,372.71)	(144,044.63)	(136,772.88)	(88,163.01)	(108,340.92)	(90,512.06)	
5	Less: Accum. Depr, COR and Sal. (PM Ln 5 + CM Ln 3 + 4)	(5,913,787.43)	(5,886,662.85)	(6,052,302.83)	(6,152,009.72)	(6,252,658.29)	(6,368,868.77)	(6,487,686.95)	(6,572,202.41)	(6,689,159.76)	(6,798,939.26)	(6,859,661.36)	(6,940,231.68)	(7,002,632.07)	
6	Net Plant In Service (CM Ln 2 - CM Ln 5)	17,144,112.57	17,324,055.96	17,539,723.68	17,695,281.98	17,837,910.37	17,933,233.85	18,164,752.44	18,349,280.96	18,425,413.84	18,729,768.14	18,933,836.70	19,162,698.73	19,235,984.60	
7	Net Additions/Reductions to CWIP	0.00	59,717.82	(59,717.82)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75,000.00	
8	CWIP Balance (PM Ln 8 + CM Ln 7)	0.00	59,717.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75,000.00	
9	Inventory	1,594,943.54	1,504,867.31	1,407,993.53	1,294,791.25	1,207,819.38	1,097,530.99	999,201.46	1,026,772.13	1,419,742.67	1,296,548.09	1,118,035.90	1,030,955.64	863,556.06	
10	Net Investment (CM Ln 6 + CM Ln 8 + CM Ln 9)	18,739,056.11	18,888,641.09	18,947,717.21	18,990,073.23	19,045,729.75	19,030,764.84	19,163,953.90	19,376,053.09	19,845,156.51	20,026,316.23	20,051,872.60	20,193,654.37	20,174,540.66	
11	Average Net Investment (PM Ln 10 + CM Ln 10)/2		18,813,848.60	18,918,179.15	18,968,895.22	19,017,901.49	19,038,247.30	19,097,359.37	19,270,003.50	19,610,604.80	19,935,736.37	20,039,094.42	20,122,763.49	20,184,097.52	
12	Rate of Return / 12 (Note B)		0.006977	0.006977	0.006977	0.006977	0.006977	0.006977	0.006942	0.006942	0.006942	0.006942	0.006942	0.006942	
13	Return Requirement on Average Net Investment (CM Ln 11 * CM Ln 12)		131,264.22	131,992.14	132,345.98	132,687.90	132,829.85	133,242.28	133,772.36	136,136.82	138,393.88	139,111.39	139,692.22	140,118.00	1,621,587.04
14	Property Tax		9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.14	9,386.10	112,633.64
15	Total Depreciation, Prop Taxes & Return (CM Ln 3 + CM Ln 13 + CM Ln 14)		169,480.11	167,684.28	168,153.19	168,623.57	168,862.07	169,226.46	170,015.75	172,610.24	174,773.40	175,938.44	176,848.96	177,615.77	2,056,832.24

Notes:  
A) Energy Select Property Additions Depreciated at 2.8% per year  
B) Revenue Requirement Return (Includes Income Taxes) Is: Jan - Jun 8.3728%; Jul - Dec 8.3302%.

**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
For the Period: January 2014 - December 2014

**Schedule of Capital Investment, Depreciation and Return  
Residential Energy Survey Displays**

Line No. Description	Beginning of Period	January	February	March	April	May	June	July	August	September	October	November	December	Total
1 Investments Added to Plant In Service (Net of Retirements)														
2 Depreciable Base (Cumulative Plant Additions PM Ln 2 + CM Ln 1)	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	13,814.37	
3 Depreciation Expense (Note A)		164.46	164.46	164.46	164.46	164.46	164.46	164.46	164.46	164.46	164.46	164.46	164.46	1,973.52
4 Retirements		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5 Salvage		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: Accum. Depr, COR and Sal. (PM Ln 6 + CM Ln 3 + 4 + 5)	7,894.08	8,058.54	8,223.00	8,387.46	8,551.92	8,716.38	8,880.84	9,045.30	9,209.76	9,374.22	9,538.68	9,703.14	9,867.60	
7 Net Plant In Service (CM Ln 2 - CM Ln 6)	5,920.29	5,755.83	5,591.37	5,426.91	5,262.45	5,097.99	4,933.53	4,769.07	4,604.61	4,440.15	4,275.69	4,111.23	3,946.77	
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	0.00	
9 CWIP Balance (PM Ln 9 + CM Ln 8)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10 Inventory														
11 Net Investment (CM Ln 7 + CM Ln 9 + CM Ln 10)	5,920.29	5,755.83	5,591.37	5,426.91	5,262.45	5,097.99	4,933.53	4,769.07	4,604.61	4,440.15	4,275.69	4,111.23	3,946.77	
12 Average Net Investment (PM Ln 11 + CM Ln 11)/2		5,838.06	5,673.60	5,509.14	5,344.68	5,180.22	5,015.76	4,851.30	4,686.84	4,522.38	4,357.92	4,193.46	4,029.00	
13 Rate of Return / 12 (Note B)		0.006977	0.006977	0.006977	0.006977	0.006977	0.006977	0.006942	0.006942	0.006942	0.006942	0.006942	0.006942	
14 Return Requirement on Average Net Investment (CM Ln 12 * CM Ln 13)		40.73	39.58	38.44	37.29	36.14	34.99	33.68	32.54	31.39	30.25	29.11	27.97	412.11
15 Property Tax		9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.06	9.09	108.75
16 Total Depreciation, Prop Taxes & Return (CM Ln 3 + CM Ln 14 + CM Ln 15)		214.25	213.10	211.96	210.81	209.66	208.51	207.20	206.06	204.91	203.77	202.63	201.52	2,494.38

Notes:  
(A) Displays are Seven year Property 1.1905% per month.  
(B) Revenue Requirement Return (includes Income Taxes) is: Jan - Jun 8.3728%; Jul - Dec 8.3302%.

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2014 Final True-Up Filing  
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**Gulf Power Company**  
ENERGY CONSERVATION COST RECOVERY (ECCR)  
Calculation of the Final True-Up Amount  
For the Period: January 2014 - December 2014

**Schedule of Capital Investment, Depreciation and Return  
Thermal Imaging Tools**

Line No.	Description	Beginning of Period	Month												Total	
			January	February	March	April	May	June	July	August	September	October	November	December		
1	Investments Added to Plant In Service (Net of Retirements)															
2	Depreciable Base (Cumulative Plant Additions PM Ln 2 + CM Ln 1)	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	45,652.70	
3	Depreciation Expense (Note A)		543.49	543.49	543.49	543.49	543.49	543.49	543.49	543.49	543.49	543.49	543.49	543.49	543.49	6,521.88
4	Retirements		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5	Salvage		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: Accum. Depr, COR and Sai. (PM Ln 6 + CM Ln 3 + 4 + 5)	26,087.28	26,630.77	27,174.26	27,717.75	28,261.24	28,804.73	29,348.22	29,891.71	30,435.20	30,978.69	31,522.18	32,065.67	32,609.16		
7	Net Plant In Service (CM Ln 2 - CM Ln 6)	19,565.42	19,021.93	18,478.44	17,934.95	17,391.46	16,847.97	16,304.48	15,760.99	15,217.50	14,674.01	14,130.52	13,587.03	13,043.54		
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	0.00		
9	CWIP Balance (PM Ln 9 + CM Ln 8)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
10	Inventory															
11	Net Investment (CM Ln 7 + CM Ln 9 + CM Ln 10)	19,565.42	19,021.93	18,478.44	17,934.95	17,391.46	16,847.97	16,304.48	15,760.99	15,217.50	14,674.01	14,130.52	13,587.03	13,043.54		
12	Average Net Investment (PM Ln 11 + CM Ln 11)/2		19,293.68	18,750.19	18,206.70	17,663.21	17,119.72	16,576.23	16,032.74	15,489.25	14,945.76	14,402.27	13,858.78	13,315.29		
13	Rate of Return / 12 (Note B)		0.006977	0.006977	0.006977	0.006977	0.006977	0.006977	0.006942	0.006942	0.006942	0.006942	0.006942	0.006942		
14	Return Requirement on Average Net Investment (CM Ln 12 * CM Ln 13)		134.61	130.82	127.03	123.24	119.44	115.65	111.30	107.53	103.75	99.98	96.21	92.43	1,361.99	
15	Property Tax		29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.93	359.38	
16	Total Depreciation, Prop Taxes & Return (CM Ln 3 + CM Ln 14 + CM Ln 15)		708.05	704.26	700.47	696.68	692.88	689.09	684.74	680.97	677.19	673.42	669.65	665.85	8,243.25	

Notes:  
(A) Thermal Imaging Tools are Seven year Property 1.1905% per month.  
(B) Revenue Requirement Return (Includes Income Taxes) is: Jan - Jun 8.3728%; Jul - Dec 8.3302%.

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**CT-5**

**GULF POWER COMPANY**

**Reconciliation and Explanation of  
Differences Between Filing and FPSC Audit  
Report for Months, January, 2013 through December, 2013**

(If no differences exist, please state.)

**NO DIFFERENCES**

### 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 through energy conservation advice and information that encourages the implementation of efficiency measures and behaviors resulting in energy and utility bill savings. The program includes energy audits, Home Energy Reporting and energy education.

Program Accomplishments: During 2014, Gulf performed 7,927 energy audits. This included 3,258 online audits, 2,468 in home audits and 2,201 pre-construction audits. Additionally, 39,171 of Gulf's customers were enrolled in the Home Energy Reporting program as projected.

Gulf provided professional development in energy-related science and math for 31 elementary school teachers who reach an estimated 775 students daily. Each of these teachers received energy efficiency and renewable energy lesson plans and materials for hands-on classroom activities.

Gulf assisted two schools in developing student energy teams who learned to measure, monitor and reduce energy use in their schools.

Gulf continued to provide classroom energy-related activities and presentations throughout its service area, primarily at the elementary school level, reaching approximately 600 students. Gulf also partnered with two elementary schools to increase science and technology knowledge for teachers and students. These partnerships were customized to provide mentors, as well as hands-on energy-related science labs and presentations.

Gulf also provided onsite and material support for two hands-on interactive science museums in Northwest Florida which both average 100 attendees daily for six months each year. Gulf supplied instructor and materials for a one-week summer energy camp targeting fifth through eighth graders.

Program Fiscal Expenditures: For 2014, Gulf projected \$2,362,521 of expenses compared to actual expenses of \$2,146,707 resulting in a variance of \$215,814 or 9.1% under the projection.

Program Progress Summary: Since the approval of this program, Gulf Power Company has performed 215,357 residential energy surveys and 39,171 customers have participated in the Home Energy Reporting program.

### Program Description and Progress

**Program Title:** Community Energy Saver Program

**Program Description:** This program assists low-income families in managing their energy costs. Through this program, qualifying customers not only receive the direct installation of conservation measures at no cost to them; the program also educates families on energy conservation techniques and behavioral changes to help control their energy use and reduce their utility operating costs.

**Program Accomplishments:** During 2014, 2,326 of Gulf's customers received the measures included in this program compared to a projection of 2,500 participants, a difference of 174 under the projection.

**Program Fiscal Expenditures:** For 2014, Gulf projected expenses for this program of \$846,855 compared to actual expenses of \$628,267 resulting in a variance of \$218,588 or 25.8% under the projection.

**Program Progress Summary:** A total of 9,754 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:** Landlord/Renter 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, insulation, windows, water heating, lighting and appliances. It potentially includes additional incentives as appropriate to overcome the split-incentive barrier which exists in a landlord/renter situation. Finally, this program promotes the installation of measures included in the Community Energy Saver Program by the landlord of multi-family properties.

**Program Accomplishments:** During 2014, no participants were enrolled in this program and none were projected. While there are no participants in this program, Gulf continues to work with customers in the rental property sector. To date, enrollments involving rental properties have occurred in other programs (i.e., HVAC, insulation, etc.) offered by the Company.

**Program Fiscal Expenditures:** During 2014, \$142,010 in expenses were projected, compared to actual expenses of \$128,514 resulting in a variance of \$13,496 or 9.5% under the projection.

**Program Progress Summary:** Since its launch in 2011, one customer has participated in the Landlord/Renter 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
- HVAC early retirement (for inefficient systems)
- HVAC upgrades
- Duct repair
- Retrofit of an electronically commutated motor fan on existing HVAC systems

Program Accomplishments: During 2014, compared to the projection for 2014, the following participation was achieved:

Measure	2014 Year End Projection	2014 Actual Participation	Variance
HVAC maintenance	6,524	5,134	(1,390)
HVAC early retirement Tier One	1,008	1,015	7
HVAC early retirement Tier Two	802	739	(63)
HVAC early retirement Tier Three	40	45	5
HVAC upgrades Tier One	299	261	(38)
HVAC upgrades Tier Two	249	225	(24)
HVAC upgrades Tier Three	84	100	16
Duct repair	3,085	2,647	(438)
ECM Fan	0	0	0

Program Fiscal Expenditures: – For 2014, Gulf projected \$4,531,972 in expenses compared to actual expenses of \$4,196,492 resulting in a variance of \$335,480 or 7.4% under the projection.

Program Progress Summary: Since its launch in 2013, the following participation has been achieved:

- HVAC maintenance - 26,060
- HVAC early retirement - Tier One – 3,245
- HVAC early retirement - Tier Two – 2,185
- HVAC early retirement - Tier Three - 127
- HVAC upgrades - Tier One - 809
- HVAC upgrades - Tier Two - 539
- HVAC upgrades - Tier Three - 318
- Duct repair - 16,158
- ECM Fan - 6

Program Description and Progress

Program Title: Heat Pump Water Heater Program

Program Description: This program provides incentives directly to the customer for the installation of high-efficiency Heat Pump Water Heating equipment for domestic hot water production.

Program Accomplishments: During 2014, 471 customers participated in this program compared to a projection of 643 for a variance of 172 fewer participants than projected.

Program Fiscal Expenditures: For the 2014 reporting period, \$409,329 in expenses were projected, compared to actual expenses of \$367,263 resulting in a variance of \$42,066, or 10.3% under the projection.

Program Progress Summary: Since its launch in 2011, 3,654 customers have participated in this program.

### Program Description and Progress

Program Title: Ceiling Insulation Program

Program Description: This program provides incentives to encourage customers to install high efficiency insulation or increase insulation in existing residential single-family and multi-family homes. The objective of this program is to reduce heat loss and heat gain from both conductive and convective means by increased insulation.

Program Accomplishments: During 2014, 271 customers participated in this program. The projection for 2014 was 226 participants resulting in a variance of 45 more participants than projected.

Program Fiscal Expenditures: For 2014, Gulf projected \$211,195 in expenses compared to actual expenses of \$207,665 resulting in a variance of \$3,530, or 1.7% under the projection.

Program Progress Summary: Since its launch in 2011, 1,954 customers have participated in this program.

### Program Description and Progress

**Program Title:** High Performance Window Program

**Program Description:** This program provides incentives to install high-efficiency windows or window film in existing or new residential applications. The objective of the program is to reduce solar heat gain into a home which, in turn, leads to reduced HVAC loads and operating costs.

**Program Accomplishments:** During 2014, 626 customers installed high-efficiency windows and 56 customers installed window film as part of this program. Projections for 2014 were 750 and 200 participants respectively resulting in 124 fewer window participants and 144 fewer window film participants than projected.

**Program Fiscal Expenditures:** For 2014, Gulf projected \$271,182 in expenses compared to actual expenses of \$244,300 resulting in a variance of \$26,882, or 9.9% under the projection.

**Program Progress Summary:** Since its launch in 2011, 3,132 customers have installed high-efficiency windows and 458 customers have installed window film as part of this program.

### Program Description and Progress

Program Title: Reflective Roof Program

Program Description: This program provides incentives to install ENERGY STAR qualified cool/reflective roofing products when constructing a new home or replacing the roof on an existing residence. The objective of this program is to significantly decrease the amount of heat that is transferred through roof assemblies and into vented attic spaces which, in turn, decreases the transfer of heat into the home's conditioned living area.

Program Accomplishments: During 2014, 97 customers participated in this program compared to a 2014 projection of 281 or 184 participants under the projection.

Program Fiscal Expenditures: For 2014, \$215,995 in expenses was projected compared to \$164,654 in actual expenses resulting in a variance of \$51,341, or 23.8% under the projection.

Program Progress Summary: Since its launch in 2011, 873 customers have participated in this program.

### Program Description and Progress

**Program Title:** Variable Speed/Flow Pool Pump Program

**Program Description:** This program provides an incentive to encourage the installation of high-efficiency variable speed or variable flow pool pumping and control equipment in both new and existing residential applications. The objective of this program is to reduce the energy, demand, and cost associated with swimming pool operation.

**Program Accomplishments:** During 2014, 287 customers installed a variable speed pool pump compared to a 2014 projection of 218 or 69 over the projection.

**Program Fiscal Expenditures:** The 2014 projection for this program was \$180,597 compared to actual expenses of \$184,114 resulting in a variance of \$3,517, or 1.9% over the projection.

**Program Progress Summary:** Since its launch in 2011, 6,139 customers have participated in this program.

### Program Description and Progress

Program Title: Energy *Select* / Energy *Select* Lite

Program Description: The Energy *Select* / Energy *Select* Lite 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 automatically respond to prices that vary during the day and by season in relation to the Company's cost of producing or purchasing energy. The Energy *Select* Lite subset of the program was originally intended to provide a separate means to expand price responsive load management program participation to include residential customers who did not meet certain participation standards for Energy *Select*. The Energy *Select* Lite program utilizes broadband technology and does not require land-line telephone service, whereas the Energy *Select* program historically has required land-line telephone service. Due to the addition of load control relays to the broadband-enabled thermostat, there is no longer a difference between Energy *Select* and Energy *Select* Lite with regard to functionality and the equipment used for new installations. For purposes of the cost recovery process, the two programs are now being treated as a single program.

Program Accomplishments: During 2014, Energy *Select* / Energy *Select* Lite programs experienced a net addition of 1,754 participants compared to a projection of 1,600, or 154 over the projection.

Program Fiscal Expenditures: During 2014, there were projected expenses of \$6,059,045 compared with actual expenses of \$5,600,546. This results in a deviation of \$458,499, or 7.6% under the projection.

Program Progress Summary: As of December 2014, there were 14,381 participating customers.

Program Description and Progress

Program Title: Self-Install Energy Efficiency Program

Program Description: This program promotes the purchase and installation of ENERGY STAR rated appliances for residential customers. The program focuses on increasing customer awareness of the benefits of energy efficient technologies and products through customer education and retail partnerships.

Program Accomplishments: During 2014, 677 customers installed qualifying ENERGY STAR appliances. These include 293 ENERGY STAR Refrigerators, 16 ENERGY STAR Freezers, 38 ENERGY STAR Window A/Cs, 330 ENERGY STAR Clothes Washers. The projection for 2014 was 3,854 ENERGY STAR appliances resulting in a variance of 3,177 fewer participants than the projection.

Program Fiscal Expenditures: For 2014, program expenses were projected to be \$272,748 compared to actual expenses of \$151,949 resulting in a variance of \$120,799, or 44.3% under the projection.

Program Progress Summary: Since its launch in 2011, 12,506 customers have installed ENERGY STAR appliances as part this program. These include 5,875 ENERGY STAR Refrigerators, 425 ENERGY STAR Freezers, 511 ENERGY STAR Window A/Cs and 5,695 ENERGY STAR Clothes Washers. Additionally, 80,846 CFLs were acquired.

Program Description and Progress

Program Title: Refrigerator Recycling Program

Program Description: This program is intended to eliminate inefficient or secondary refrigerators in an environmentally safe manner and produce cost-effective long-term energy and peak demand savings in the residential sector. The objective of the program is to increase customer awareness of the economic and environmental costs associated with running inefficient, older appliances in a household, and to provide eligible customers with free refrigerator and freezer pick-up services in addition to a small financial incentive.

Program Accomplishments: During 2014, 903 customers participated in this program compared to a projection 218, or 685 more participants than the projection.

Program Fiscal Expenditures: During 2014, expenses were projected to be \$140,662 compared to actual expenses of \$215,970 resulting in a variance of \$75,308, or 53.5% over the projection.

Program Progress Summary: Since its launch in 2011, 3,764 customers have participated in this program.

Program Description and Progress

Program Title: Commercial/Industrial Audit

Program Description: This program is designed to provide professional advice to commercial and industrial customers on how to reduce and make the most efficient use of energy. This program covers 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 installation of conservation measures and to reinforce the need to continue with more conservation efforts. Customers may participate by requesting a basic Energy Analysis Audit (EAA) provided through either an on-site survey or a direct mail survey. A more comprehensive analysis can be provided by conducting a Technical Assistance Audit (TAA).

Program Accomplishments: During 2014, the Company performed 487 commercial/industrial audits. The total projection for 2014 was 600 audits for a variance of 113 fewer participants than projected.

Program Fiscal Expenditures: For 2014, Gulf projected expenses of \$703,833 compared to actual expenses of \$700,070 for a deviation of \$3,763, or 0.5% under budget.

Program Progress Summary: Since this program was launched, 21,920 commercial/industrial audits have been performed.

### 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 make improvements to the system to bring its 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 Accomplishments:** During 2014, 64 customers participated in this program compared to a projection of 169 participants resulting in a variance of 105 fewer participants than projected.

**Program Fiscal Expenditures:** For 2014, the Company projected \$69,401 in program expenses compared to actual expenses of \$47,217 resulting in a variance of \$22,184, or 32.0% under the projection.

**Program Progress Summary:** Since its launch in 2011, 948 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 commercial and industrial customers to encourage the installation of eligible high-efficiency equipment as a means of reducing energy and demand. The goal of the program is 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 are accomplished through multiple options including HVAC efficiency upgrades, heat pump water heater installations, ceiling/roof insulation improvements, window film installation, interior lighting improvements, commercial occupancy sensors and commercial reflective roof installations.

Program Accomplishments: During 2014, compared to the 2014 projection, the measures in this program have had the following participation:

<b>Program</b>	<b>Annual Projections (2014)</b>	<b>Actual Participation (2014)</b>	<b>Variance</b>
Commercial HVAC (tons of installed HVAC)	2,155	1,606	(549)
Commercial Geothermal Heat Pump (tons of installed HVAC)	65	73	8
Heat Pump Water Heater	1	1	0
Ceiling/Roof Insulation (square feet)	6,383	4,742	(1,641)
Window Film (square feet)	538	2,122	1,584
Commercial Interior Lighting (kW)	1,000	1,672	672
Commercial Occupancy Sensor	4,535	3,650	(885)
Commercial Reflective Roof (square feet)	125,995	533,691	407,696

Program Fiscal Expenditures: During the reporting period, Gulf projected \$1,498,662 in expenses compared to actual expenses of \$1,400,308 for a variance of \$98,354, or 6.6% under the projection.

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

<b>Program</b>	<b>Program to Date Participation</b>
Commercial HVAC (tons of installed HVAC)	6,030
Commercial Geothermal Heat Pump (tons of installed HVAC)	491
Heat Pump Water Heater	3
Ceiling/Roof Insulation (square feet)	298,386
Window Film (square feet)	33,790
Commercial Interior Lighting (kW)	5,048
Commercial Occupancy Sensor	9,778
Commercial Reflective Roof (square feet)	2,774,592

Program Description and Progress

Program Title: HVAC Occupancy Sensor

Program Description: This program is intended to help manage energy consumption and reduce energy waste in hotel rooms by automatically controlling temperature settings in hotel rooms when the rooms are unoccupied.

Program Accomplishments: For the reporting period, 82 sensors were installed as part of this program compared to a projection of 146, or 64 sensors under the projection.

Program Fiscal Expenditures: During the reporting period, the Company projected expenses of \$38,751 compared to actual expenses of \$39,646 resulting in a variance of \$895, or 2.3% over the projection.

Program Progress Summary: Since its launch in 2011, 5,418 HVAC occupancy sensors have been installed as part of the HVAC Occupancy Sensor program.

Program Description and Progress

Program Title: High Efficiency Motor Program

Program Description: This program is designed to encourage commercial and industrial customers to install premium-efficiency motors in new or existing facilities. The objective is to reduce demand and energy associated with electric motors by encouraging the replacement of worn out, inefficient motors with high efficiency motors.

Program Accomplishments: During 2014, 1,527 horsepower (HP) of energy efficient motors were installed compared to a projection of 2,754 HP, or 1,227 HP below the projection.

Program Fiscal Expenditures: During the reporting period, the Company projected expenses of \$72,317 compared to actual expenses of \$49,835 resulting in a variance of \$22,482, or 31.1% under the projection.

Program Progress Summary: Since its launch in 2011, customers have installed 4,523 HP in energy efficiency motors.

### Program Description and Progress

Program Title: Food Service Efficiency Program

Program Description: This program encourages the installation of ENERGY STAR qualified or equivalent energy efficient commercial and industrial food service equipment. The objective of the program is to reduce energy consumption and demand as well as operating costs for the customer through the use of qualified food service equipment including convection ovens, fryers, griddles, steamers, holding cabinets and ice machines.

Program Accomplishments: During 2014, 11 participants enrolled in this program in comparison to a total projection of 11 participants. Qualified installed equipment included 1 Convection Oven, 3 Fryers, 0 Griddles, 1 Steamer, 2 Holding Cabinets and 4 Ice Machines.

Program Fiscal Expenditures: During the reporting period, Gulf projected expenses of \$66,211 compared to actual expenses of \$74,443 resulting in a variance of \$8,232, or 12.4% over the projection.

Program Progress Summary: Since its launch in 2011, 75 customers have participated in the Food Service Efficiency program.

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 Accomplishments: During 2014, no customers participated in this program.

Program Fiscal Expenditures: During the reporting period, the Company projected expenses of \$74,964 compared to actual expenses of \$73,298 resulting in a variance of \$1,666, or 2.2% under the projection.

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

**Program Description and Progress**

**Program Title:** Renewable Energy

**Program Description:** The Renewable Energy Program promotes the deployment of demand-side renewable technologies through a portfolio of four pilot programs. These programs include providing Solar Photovoltaic (PV) systems up to 10 kW in public education facilities (Solar for Schools), offering PV rebates and solar thermal water heating (STWH) rebates to customers installing qualifying systems and facilitating the installation of STWH systems in low-income housing units.

**Program Accomplishments:** During 2014, the following participation occurred in this program:

- Solar for Schools – Gulf is in the process of finalizing the installation of one 10kW solar PV system at the public education facility selected as part of Gulf’s Solar for Schools program for 2014. The project was unable to be completed in 2014 due to the flood events of April 2014.
- Solar PV (residential and commercial) – 50 customers completed the installation of a qualifying solar PV system and received an incentive.
- Solar Thermal Water Heating – 29 customers completed the installation of a qualifying solar thermal water heating system and received an incentive.
- Solar Thermal Water Heating for Low Income – Gulf facilitated the installation of 14 qualifying solar thermal water heating systems in low-income residential housing units in 2014. The program provided the full installation cost for the installations in residences owned and managed by the Escambia County Area Housing Commission.

**Program Fiscal Expenditures:** During the reporting period, the Company projected expenses of \$861,832 compared to actual expenses of \$730,260 resulting in a variance of \$131,572, or 15.3% under the projection.

**Program Progress Summary:** Since its launch in 2011, participation is as follows:

<b>Measure</b>	<b>Program Participation (Program to Date)</b>
Solar for Schools	2 PV System Installed
Solar PV (Residential and Commercial)	182 PV Systems Installed
Solar Thermal Water Heater (STWH)	105 STWH Systems Installed
Solar Thermal Water Heater for Low Income	44 STWH Systems Installed

### Program Description and Progress

Program Title: Energy *Select* Electric Vehicle Pilot Program

Program Description: The Energy *Select* Electric Vehicle Pilot Program provides residential customers with an incentive to encourage electric vehicle transportation and off-peak charging through the Energy *Select* Program. The objective of this pilot program is to measure customer acceptance of electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) as well as customer response to charging these electric vehicles using Gulf Power's existing Energy *Select* Program.

Program Accomplishments: During 2014, 5 customers participated in the Energy *Select* Electric Vehicle Pilot Program.

Program Fiscal Expenditures: During the reporting period, the Company projected expenses of \$2,500 compared to actual expenses of \$4,500 resulting in a variance of \$2,000 or 80.0% over the projection.

Program Progress Summary: Since its launch in 2011, 18 customers have participated in the Energy *Select* Electric Vehicle Pilot 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:

#### **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.

Previously, the BEST House program's intent was 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 was to be 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.

Construction of the BEST House has been delayed from the original plans due to general economic conditions affecting sponsor support and permitting requirements. The project team held a kick-off meeting during the summer of 2011 and agreed to move forward with a modified plan. The original house will not be built; however, the intent of the project remains the same. The new plan involves the retrofit of an existing building on UWF's site. In the approximately 3800 sq. ft. building, Gulf anticipates showcasing similar features such as passive solar collectors, grey-water and rainwater collection systems, advanced insulation systems, a High SEER conventional and Variable Refrigerant Flow (VRF) heat pump, whole-house ventilation, energy-efficient appliances and lighting, day-lighting, and sustainable building products.

The modified house, now known as The Community Outreach, Research and Education (C.O.R.E.) Initiative, will be used as a center to explain and demonstrate the advantages of retrofitting existing homes for energy efficiency. The C.O.R.E. initiative is committed to improving construction education at the University of West Florida (UWF) and in the greater Pensacola, Florida community. The C.O.R.E facility

is a multipurpose laboratory; a research lab, a trade demonstration area, a construction yard, and an interactive, energy efficiency and demonstration showcase. The C.O.R.E. facility will promote energy efficient construction through the innovative display of cutting-edge technology, and through community outreach and participation. The lab will be made available to students, industry professionals and the general public.

The facility will accommodate a research initiative in an effort to measure the efficacy of different building technologies and installations. The C.O.R.E initiative is particularly focused on the metering and measurement of sealed attic spaces, roof types, walls forms, windows, water heaters, HVAC equipment, renewable energy and controls systems. The construction yard and demonstration area would provide a similar opportunity for materials research and community seminars.

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.

All participants remain optimistic and enthusiastic about the completion and potential contributions of this project. This project is expected to be in place and active by the end of 2015.

#### **Azalea Trace Project**

The purpose of this project is to test the application of a Heat Pump Water Heater in an assisted living facility. The project includes the installation of a commercial size Heat Pump Water Heater (4-ton heating capacity), two 119 gallon storage tanks and distribution duct work. The HPWH unit will provide preheated water (140 degrees F) to the existing natural gas boilers. In turn the boilers will feed the existing 350 gallon storage tank supplying hot water to the washers.

The project will provide a database for the application of the HPWH in this type facility. No data is on record within Gulf Power for the HPWH application in an assisted living facility. The laundry is a 24-hour 7-day a week operating facility. The data will be used to promote energy efficient production of hot water, off-set the installation of additional air conditioning units and provide a better climatic working environment for the employees.

The sole customer will be Azalea Trace Assisted Living facility. Currently the heated water is produced by two natural gas boilers. The first phase of monitoring will be to record the existing natural gas required to supply hot water. This will be identified as the "as-built" system. Further monitoring will include measuring the effect the HPWH system has on the boilers' fuel usage. The "as-built" system currently heats the water to 140 degrees (F). This also will be accomplished with the application of the

HPWH. The HPWH will either supply the total amount of hot water required or provide additional stored 140-degree (F) water to two 119 gallon storage tanks. The HPWH will also supply pre-heated water to the boiler during peak water usage. This feature will allow the existing boilers to reduce their natural gas consumption and work more efficiently. After the heat pump water heater is installed, monitoring will continue on the boilers to determine this reduction. Additional monitoring points will be: water flow (GPM), energy (kWh of HPWH), and the amount of air conditioning (BTUH) it provides as a by-product.

The values of the data recorded will be used to calculate the system amount of "free" A/C cooling, the effect on the amount of natural gas used by the boilers, the electrical usage of the HPWH and the overall energy efficiency of the system.

The data will illustrate the efficient use of a dual fuel application in a large commercial, 24-hour operating facility for the first time in Gulf's service area.

The project will be monitored for at least one year and the results will be reported to the commission by the end of 2015.

**10th Ave North Hair Salon Heat Pump Water Heater Project (HPWH)**

This project will be used to determine if a residential HPWH can be used successfully in small commercial applications with high usage. As part of this project, a residential HPWH will be installed and metered in a high water use commercial facility to determine the performance, reliability and economic return on investment. Gulf is partnering with General Electric (GE) for this project. Two 50 gallon HPWH's will be installed with an Energy Factor of 2.4, which GE has agreed to warranty as part of this project.

This project will be monitored for at least one year and the results will be reported to the commission by end of 2016.

Program Fiscal Expenditures: Program expenses were forecasted at \$54,822 for the period January through December 2014 compared to actual expenses of \$56,602 for a deviation of \$1,780, or 3.2% over the projection. Project expenses were as follows: UWF BEST House, \$0; Azalea Trace Heat Pump Water Heater, \$31,968; and Hair Salon Heat Pump Water Heater Project, \$24,634.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Energy Conservation Cost Recovery Clause )  
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Docket No.: 150002-EG

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 5th day of May, 2015 to the following:

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