

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date 2/13/96

Docket No. 960171-EG

1. Division Name/Staff Name Electric and Gas (Haff)
2. OPR Electric and Gas
3. OCR Legal Services
4. Suggested Docket Title Request for Approval of The Business Edge,
a Demand-Side Management Program, by Gulf Power Company

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries,
as shown in Rule 25-22.104, F.A.C.
B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

ALL PARTIES OF RECORD IN DOCKET NO. 960002-EG

2. Interested Persons and their representatives (if any)

LEAF

6. Check one:

- Documentation is attached.
 Documentation will be provided with the recommendation.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause)
_____)

Docket No. 960002-EG
Filed: January 22, 1996

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
THE "FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS"
FOR OCTOBER 1994 THROUGH SEPTEMBER 1995;
ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR OCTOBER 1995 THROUGH MARCH 1996;
PROJECTED CONSERVATION COST RECOVERY AMOUNTS
FOR APRIL 1996 THROUGH MARCH 1997 INCLUDING THE ADDITION OF A NEW
PROGRAM TO GULF'S ENERGY CONSERVATION PLAN; AND THE CONSERVATION
COST RECOVERY FACTORS TO BE APPLIED BEGINNING WITH THE PERIOD
APRIL 1996 THROUGH MARCH 1997**

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and pursuant to Section 366.82(5) of the Florida Statutes and Rule 25-17.015 of the Florida Administrative Code, hereby petitions the Florida Public Service Commission for recovery of the "final conservation cost recovery true-up amounts" for October 1994 through September 1995; for approval of its estimated energy conservation true-up factor for the period October 1995 through March 1996; for approval of the projected energy conservation amounts for the

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~~FPSC-RECORDS/REPORTING~~

period April 1996 through March 1997 including the addition of a new program to Gulf's energy conservation plan; for approval of Gulf's allocation of the residential advanced energy management program on a demand basis; and for approval of the proposed energy conservation cost recovery factors to be applied beginning with the period April 1996 through March 1997. In support thereof the Company would respectfully show:

1. Gulf is a corporation with its headquarters located at 500 Bayfront Parkway, Post Office Box 1151, Pensacola, Florida 32520. The Company is an investor-owned electric utility operating under the jurisdiction of this Commission.

2. Pursuant to Section 366.82 of the 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 unreimbursed 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 are the testimony and exhibit of M. D. Neyman submitted in December 1995¹ and the testimony and exhibits of M. D. Neyman submitted with

¹The testimony and exhibit of M. D. Neyman were originally submitted in a timely manner in November 1995. The original filing was revised by testimony and an exhibit filed in December 1995 which are complete replacements for the original filing.

this petition.² The two composite exhibits (MDN-1 and MDN-2) 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 April 1996 through March 1997 and the appropriate true-up adjustment to be applied based on actual data through November 1995 and estimated data for the remainder of the period through March 1996.

4. The "final conservation cost recovery true-up amounts" were filed with the Commission in December 1995 as shown on Schedule CT-1.³ The final true-up amount for the period October 1994 through September 1995, as presented in the testimony and exhibits of M. D. Neyman filed in December 1995, is \$166,846 under recovery which amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be collected in the next period.

²The composite exhibit attached to the December testimony contains the Company's CT schedules for the twelve month period ending September 1995 and is referred to herein as MDN-1. The composite exhibit attached to the January testimony contains the Company's C schedules for the twelve month period ending March 1997 and includes data related to the six month period October 1995 through March 1996 and is referred to herein as MDN-2.

³As approved by the Commission, the estimated true-up amount for the period ending March 1995 was \$59,933 over recovery. This amount was incorporated with the approved actual end of period true-up amount for the prior period (April 1994 through September 1994) and the projected future incremental costs for the period April 1995 through March 1996 to develop the cost recovery factor that was approved for use in the period April 1995 through March 1996.

5. Gulf has calculated its estimated true-up amount for the period October 1995 through March 1996 to be an over recovery of \$189,287. This amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be collected during the projection period.

6. Gulf projects recoverable expenditures of \$3,440,850 for its approved conservation programs during the twelve month period beginning April 1996 and ending March 1997.

7. Gulf hereby requests authority from the Commission to implement The Business Edge program ("Program"), as set forth in Exhibit 2 as part of the Company's approved conservation plan effective April 1, 1996, with funding of the Program costs to come through Gulf's Conservation Cost Recovery Factor. The Business Edge program is described in detail in Exhibit MDN-3 to this petition. The Program's cost effectiveness and program participation standards are also detailed in Exhibit MDN-3. Briefly, the program will supplement Gulf's existing Commercial/Industrial Energy Audit program with the purpose of involving Gulf's commercial customers in energy conservation decisions relevant to their particular business. Program monitoring and evaluation will be through follow-up visits with the customer and through the Company's existing Marketing Reporting System. The Company's projected costs for this program are incorporated in the Company's filings supporting its proposed Conservation Cost Recovery factors for use during the period

April 1996 through March 1997.

8. Gulf requests authority to change the cost allocation method for allocating the costs of the Residential Advanced Energy Management ("AEM") program to a demand basis. Currently, the program costs are allocated on an energy basis. Gulf views AEM as a dispatchable program because Gulf, at its discretion, can call upon the program's participants to reduce load when capacity is needed. The Commission has approved the use of the demand allocation method for dispatchable programs in its Order No. PSC-93-1845-FOF-EG. Gulf therefore believes it is appropriate to allocate the costs of the Residential Advanced Energy Management program on a demand basis and requests authority to do so.

9. Gulf projects its retail energy sales during the period April 1996 through March 1997 will be 8,676,708,512 kilowatt hours (KWH).

10. On the basis of the final true-up for the period October 1994 through September 1995, the estimated true-up for the period October 1995 through March 1996, the cost projections for the period April 1996 through March 1997, and proper consideration of both projected kilowatt hour sales and the adjustment for revenue taxes, the Company's proposed conservation

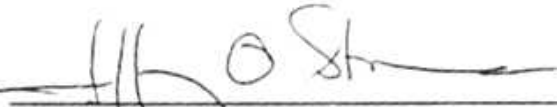
cost recovery factors by customer class for the period April 1996 through March 1997 are as follows:

RATE CLASS*	CONSERVATION COST RECOVERY FACTORS ¢/KWH
RS, RST	0.044
GS, GST	0.044
GSD, GSDT, SBS	0.043
LP, LPT, SBS	0.041
PX, PXT, SBS	0.039
OSI, OSII	0.039
OSIII	0.042
OSIV	0.039
<p>*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.</p>	

WHEREFORE, Gulf Power Company respectfully requests the Commission to authorize the Company to recover its unreimbursed costs reasonably and prudently incurred in accordance with this petition and thereby approve the final conservation cost recovery true-up amounts for the period October 1994 through September

1995, the estimated conservation cost recovery true-up amount for October 1995 through March 1996, the projected conservation cost recovery amounts for April 1996 through March 1997 including the approval of The Business Edge program as an addition to Gulf's energy conservation plan, the use of a demand basis cost allocation method for allocating the costs of the Residential Advanced Energy Management program, and the conservation cost recovery factors to be applied beginning with the period April 1996 through March 1997.

Dated this 9th day of January, 1996



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Florida Public Service Commission
Docket No. 960002-EG
Gulf Power Company
Witness: Margaret D. Neyman
Exhibit No. ____ (MDN-3)
Program Summary
Page 1 of 5

THE BUSINESS EDGE

Program Description

The Business Edge is a direct mail energy and environmental auditing program. This program will supplement Gulf Power's existing Commercial/Industrial Energy Audit program and will assist in the evaluation of the specific energy and environmental requirements of a given business type.

Businesses complete a Business Edge questionnaire on their own or may request the assistance of a Gulf Power representative. This questionnaire asks customers about their energy consuming equipment or appliances, square footage, hours of operation and other detailed questions regarding their business operations. The questionnaire also covers other factors that affect their business success and their expectations related to environmentally sensitive products and services.

Completed surveys are analyzed and processed using The Business Edge software package. The Business Edge package

that will be returned to the customer includes targeted, timely information about marketing, energy and environmental opportunities specific to each business type and geographic area.

Participation Standards

The Business Edge program is available to all Commercial customers. Initial emphasis will be placed on those customers with billing demands of 150 kW or less. The program is designed to involve the business owner, management, or person responsible for energy related decisions for the business by having them inspect their facilities and complete the energy survey themselves.

Benefits and Cost

Benefits for Gulf Power's Commercial customers cover three areas. The first area is better energy management. After reviewing their energy use and business operations, The Business Edge report provides the customer with energy management strategies. New technologies and other ideas are provided to help individual businesses control energy costs. The second area is environmental improvements.

Incorporating the expertise available through The Business Edge program, reports will be generated to include money-saving strategies to reduce solid and hazardous waste. Also ideas for substitute products that conserve water and other resources and reduce waste in their business will be provided. All recommendations are geared to SIC codes and business locations. The third area is defining new marketing opportunities. The Business Edge provides U.S. Census and geo-demographic data that most small businesses could not afford to purchase on their own. Reports provide business owners and managers with profiles of their local customers, along with advice about using these profiles to improve their marketing programs. The Business Edge is an extension of Gulf Power's Commercial/Industrial Energy Audit program as filed in Docket No. 941172-EI. The benefits to the Company, as stated in this docket, indicate a kW reduction per audit to be 1.6 and annual kWh reduction per audit to be 5,887. The Company expects similar results by The Business Edge program since the implementation process mirrors that of the existing Commercial/Industrial Audit program. The current steps include:

1. Customer Contact

2. Survey Completion
3. Survey Analysis
4. Delivery of analysis and follow-up with customer by
company representative

An estimated cost of \$72.24 per participant has been calculated and is used in the cost-effectiveness calculations.

Monitoring and Evaluation

Gulf Power will validate customer load information during the follow-up visit conducted by the company representative. Gulf Power also will monitor this program through its existing Marketing Reporting System (MRS) which will enable the tracking of participating customers.

Surveys will be conducted with customers who participate in the program to establish levels of customer satisfaction with the program process and the information it provides. Dependent upon the level of participation, interviews may also be conducted with non-participants to assess reasons for non-participation.

Florida Public Service Commission
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Exhibit No. _____ (MDN-3)
Program Summary
Page 5 of 5

Cost Effectiveness

This program is cost-effective using the Commission's approved methodology (Rule 25-17.008). The summary tables are included in Attachment A. The cost-effectiveness runs are included in Attachment B.

Program Name: Business Edge

At the Meter						
Year	Per Customer kWh Reduction	Per Customer Winter kW Reduction	Per Customer Summer kW Reduction	Total Annual kWh Reduction	Total Annual Winter kW Reduction	Total Annual Summer kW Reduction
1996	5,887	1.60	1.60	5,887,000	1,600	1,600
1997	5,887	1.60	1.60	5,887,000	1,600	1,600
1998	5,887	1.60	1.60	5,887,000	1,600	1,600
1999	5,887	1.60	1.60	5,887,000	1,600	1,600
2000	5,887	1.60	1.60	5,887,000	1,600	1,600

At the Generator						
Year	Per Customer kWh Reduction	Per Customer Winter kW Reduction	Per Customer Summer kW Reduction	Total Annual kWh Reduction	Total Annual Winter kW Reduction	Total Annual Summer kW Reduction
1996	6,340	2.07	2.07	6,340,299	2,070	2,070
1997	6,340	2.07	2.07	6,340,299	2,070	2,070
1998	6,340	2.07	2.07	6,340,299	2,070	2,070
1999	6,340	2.07	2.07	6,340,299	2,070	2,070
2000	6,340	2.07	2.07	6,340,299	2,070	2,070

Year	(a) Total Number of Customers	(b) Total Number of Eligible Customers	(c) Annual Number of Program Participants	(d) Cumulative Penetration Level %	(e) Cumulative Number of Program Participants
1996	30,666	30,053	1,000	3.33%	1,000
1997	31,331	30,704	1,000	6.51%	2,000
1998	31,986	31,346	1,000	9.57%	3,000
1999	32,648	31,995	1,000	12.50%	4,000
2000	33,325	32,659	1,000	15.31%	5,000

INPUT DATA - PART 1
 BusEdge
 DSM_RULE PROGRAM

I PROGRAM DEMAND SAVINGS AND LINE LOSSES

(1) CUSTOMER KW REDUCTION AT THE METER	1 60 KW /CUST
(2) GENERATOR KW REDUCTION PER CUSTOMER	2 07 KW GEN/CUST
(3) KW LINE LOSS PERCENTAGE	12.8 %
(4) GENERATION KWH REDUCTION PER CUSTOMER	6,340.3 KWH/CUST/YR
(5) KWH LINE LOSS PERCENTAGE	7.7 %
(6) GROUP LINE LOSS MULTIPLIER	1.0034
(7) CUSTOMER KWH PROGRAM INCREASE AT METER	0.0 KWH/CUST/YR
(8)* CUSTOMER KWH REDUCTION AT METER	5,687.0 KWH/CUST/YR

CUSTOMER KW REDUCTION AT METER (Winter) 1 60

II ECONOMIC LIFE AND K FACTORS

(1) STUDY PERIOD FOR CONSERVATION PROGRAM	30 YEARS
(2) GENERATOR ECONOMIC LIFE	40 YEARS
(3) T & D ECONOMIC LIFE	30 YEARS
(4) K FACTOR FOR GENERATION	1.4851
(5) K FACTOR FOR T & D	1.4851
(6)* SWITCH REV REQ(0) OR VAL-OF-DEF (1)	1

III UTILITY AND CUSTOMER COSTS

(1) UTILITY NONRECURRING COST PER CUSTOMER	72.24 \$/CUST
(2) UTILITY RECURRING COST PER CUSTOMER	0.00 \$/CUST/YR
(3) UTILITY COST ESCALATION RATE	3.25 %
(4) CUSTOMER EQUIPMENT COST	0.00 \$/CUST
(5) CUSTOMER EQUIPMENT ESCALATION RATE	3.25 %
(6) CUSTOMER O & M COST	0.00 \$/CUST/YR
(7) CUSTOMER O & M ESCALATION RATE	3.25 %
(8)* CUSTOMER TAX CREDIT PER INSTALLATION	0.00 \$/CUST
(9)* CUSTOMER TAX CREDIT ESCALATION RATE	0.00 %
(10)* INCREASED SUPPLY COSTS	0.00 \$/CUST/YR
(11)* SUPPLY COSTS ESCALATION RATE	0.00 %
(12)* UTILITY DISCOUNT RATE	8.47 %
(13)* UTILITY AFUDC RATE	7.27 %
(14)* UTILITY NON RECURRING REBATE/INCENTIVE	0.00 \$/CUST
(15)* UTILITY RECURRING REBATE/INCENTIVE	0.00 \$/CUST/YR
(16)* UTILITY REBATE/INCENTIVE ESCAL RATE	0.00 %

* SUPPLEMENTAL INFORMATION NOT SPECIFIED IN WORKBOOK

STOP REV LOSS. NO

IV AVOIDED GENERATOR, TRANS. AND DIST. COSTS

(1) BASE YEAR	1995
(2) IN-SERVICE YEAR FOR AVOIDED GENERATING UNIT	1999
(3) IN-SERVICE YEAR FOR AVOIDED T & D	1999
(4) BASE YEAR AVOIDED GENERATING UNIT COST	274.00 \$/KW
(5) BASE YEAR AVOIDED TRANSMISSION COST	54.00 \$/KW
(6) BASE YEAR DISTRIBUTION COST	27.00 \$/KW
(7) GEN, TRAN, & DIST COST ESCALATION RATE	3.25 %
(8) GENERATOR FIXED O & M COST	2.50 \$/KWYR
(9) GENERATOR FIXED O&M ESCALATION RATE	2.80 %
(10) TRANSMISSION FIXED O & M COST	0.32 \$/KWYR
(11) DISTRIBUTION FIXED O & M COST	0.00 \$/KWYR
(12) T&D FIXED O&M ESCALATION RATE	3.25 %
(13) AVOIDED GEN UNIT VARIABLE O & M COSTS	0.624 CENTS/KWH
(14) GENERATOR VARIABLE O&M COST ESCALATION RATE	3.10 %
(15) GENERATOR CAPACITY FACTOR	3.40 %
(16) AVOIDED GENERATING UNIT FUEL COST	2.780 CENTS/KWH
(17) AVOIDED GEN UNIT FUEL ESCALATION RATE	7.61 %
(18)* AVOIDED PURCHASE CAPACITY COST PER KW	0.00 \$/KWYR
(19)* CAPACITY COST ESCALATION RATE	3.25 %

V NON-FUEL ENERGY AND DEMAND CHARGES

(1) NON-FUEL COST IN CUSTOMER BILL	1.300 CENTS/KWH
(2) NON-FUEL ESCALATION RATE	1.15 %
(3) CUSTOMER DEMAND CHARGE PER KW	4.56 \$/KW/MO
(4) DEMAND CHARGE ESCALATION RATE	1.15 %
(5)* DIVERSITY and ANNUAL DEMAND ADJUSTMENT FACTOR FOR CUSTOMER BILL	1.00

File C ICE_RULEVACOM95 WK4

TOTAL RESOURCE TEST	82.43
PARTICIPANT TEST	ERR
RATE IMPACT TEST	1.14

BusEdge
 Florida Public Service Commission
 Docket No. 960002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. _____ (MR-3)
 Attachment B
 Page 1 of 10

CALCULATION OF AFUDC AND IN-SERVICE COST OF PLANT
PLANT: 1999 AVOIDED UNIT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
YEAR	NO. YEARS BEFORE IN-SERVICE	PLANT ESCALATION RATE (%)	CUMULATIVE ESCALATION FACTOR	YEARLY EXPENDITURE (%)	ANNUAL SPENDING (\$/KW)	CUMULATIVE AVERAGE SPENDING (\$/KW)	CUMULATIVE SPENDING WITH AFUDC (\$/KW)	YEARLY INCREMENTAL TOTAL AFUDC (\$/KW)	YEAR-END BOOK VALUE (\$/KW)	CUMULATIVE YEAR-END BOOK VALUE (\$/KW)
1990	-9	0.0%	1.0000	0.0%	0.00	0.00	0.00	0.00	0.00	0.00
1991	-8	0.0%	1.0000	0.0%	0.00	0.00	0.00	0.00	0.00	0.00
1992	-7	0.0%	1.0000	0.0%	0.00	0.00	0.00	0.00	0.00	0.00
1993	-6	0.0%	1.0000	0.0%	0.00	0.00	0.00	0.00	0.00	0.00
1994	-5	0.0%	1.0000	0.0%	0.00	0.00	0.00	0.00	0.00	0.00
1995	-4	2.7%	1.0270	0.0%	0.00	0.00	0.00	0.00	0.00	0.00
1996	-3	3.0%	1.0578	3.0%	8.70	4.35	4.35	0.32	9.01	9.01
1997	-2	3.2%	1.0917	2.5%	7.48	12.43	12.75	0.93	8.40	17.42
1998	-1	3.1%	1.1255	87.0%	268.30	150.32	151.56	11.02	279.32	296.73
1999	0	3.3%	1.1626	7.5%	23.89	296.42	308.68	22.44	46.33	343.07
				1.00	308.36			34.70	343.07	

00

IN-SERVICE YEAR = 1999
PLANT COSTS (1995 \$) \$274.0
AFUDC RATE: 7.27%

(1) YEAR	(2) CUMULATIVE TOTAL PARTICIPATING CUSTOMERS	(3) ADJUSTED CUMULATIVE PARTICIPATING CUSTOMERS	(4) UTILITY SYSTEM FUEL COSTS (\$/KWH)	(5) AVOIDED MARGINAL FUEL COST (\$/KWH)	(6) INCREASED MARGINAL FUEL COST (\$/KWH)	(7) REPLACEMENT FUEL COST (\$/KWH)	(8) PROGRAM I.W EFFECTIVENESS FACTOR	(9) PROGRAM KWH EFFECTIVENESS FACTOR	(10) OTHER COSTS (\$/000)	(11) OTHER BENEFITS (\$/000)
1995	0	0	2.06	1.46	1.48	1.47	1.00	1.00	0	0
1996	1,000	1,000	2.20	1.56	1.60	1.56	1.00	1.00	0	0
1997	2,000	2,000	2.11	1.70	1.74	1.72	1.00	1.00	0	0
1998	3,000	3,000	2.08	1.77	1.82	1.80	1.00	1.00	0	0
1999	4,000	4,000	1.96	1.86	1.91	1.89	1.00	1.00	0	0
2000	5,000	5,000	1.85	2.02	2.08	2.06	1.00	1.00	0	0
2001	5,000	5,000	1.86	2.07	2.14	2.12	1.00	1.00	0	0
2002	5,000	5,000	1.93	2.36	2.44	2.42	1.00	1.00	0	0
2003	5,000	5,000	2.00	2.49	2.59	2.56	1.00	1.00	0	0
2004	5,000	5,000	2.10	2.77	2.87	2.84	1.00	1.00	0	0
2005	5,000	5,000	2.19	3.00	3.11	3.08	1.00	1.00	0	0
2006	5,000	5,000	2.26	3.27	3.38	3.35	1.00	1.00	0	0
2007	5,000	5,000	2.35	3.53	3.66	3.62	1.00	1.00	0	0
2008	5,000	5,000	2.45	3.95	4.08	4.04	1.00	1.00	0	0
2009	5,000	5,000	2.33	4.32	4.45	4.41	1.00	1.00	0	0
2010	5,000	5,000	2.41	4.76	4.90	4.85	1.00	1.00	0	0
2011	5,000	5,000	2.38	5.57	5.71	5.65	1.00	1.00	0	0
2012	5,000	5,000	2.42	5.81	5.95	5.89	1.00	1.00	0	0
2013	5,000	5,000	2.52	6.02	6.17	6.11	1.00	1.00	0	0
2014	5,000	5,000	2.63	6.27	6.43	6.37	1.00	1.00	0	0
2015	5,000	5,000	2.73	6.52	6.69	6.62	1.00	1.00	0	0
2016	5,000	5,000	2.88	6.78	6.96	6.89	1.00	1.00	0	0
2017	5,000	5,000	3.08	7.05	7.24	7.17	1.00	1.00	0	0
2018	5,000	5,000	3.20	7.33	7.53	7.46	1.00	1.00	0	0
2019	5,000	5,000	3.34	7.64	7.85	7.78	1.00	1.00	0	0
2020	5,000	5,000	3.49	7.97	8.19	8.12	1.00	1.00	0	0
2021	5,000	5,000	3.65	8.32	8.55	8.47	1.00	1.00	0	0
2022	5,000	5,000	3.42	8.68	8.93	8.85	1.00	1.00	0	0
2023	5,000	5,000	4.00	9.07	9.33	9.24	1.00	1.00	0	0
2024	5,000	5,000	4.18	9.48	9.75	9.66	1.00	1.00	0	0

AVOIDED GENERATION UNIT BENEFITS
 BusEdge
 DSM_RULE PROGRAM

* UNIT SIZE OF AVOIDED GENERATION UNIT =
 * INSERVICE COSTS OF AVOIDED GEN. UNIT (000) =

10,359 0 KW
 \$3,553 8

(1) YEAR	(1A)* VALUE OF DEFERRAL FACTOR	(2) AVOIDED GEN UNIT CAPACITY COST \$(000)	(2A)* AVOIDED ANNUAL UNIT KWH GEN (000)	(3) AVOIDED UNIT FIXED O&M COST \$(000)	(4) AVOIDED GEN UNIT VARIABLE O&M COST \$(000)	(5) AVOIDED GEN UNIT FUELREPLACEMENT COST \$(000)	(6) FUEL COST \$(000)	(6A)* AVOIDED PURCHASED CAPACITY COSTS \$(000)	(7) AVOIDED GEN UNIT BENEFITS \$(000)
1995	0.000	0	0	0	0	0	0	0	0
1996	0.000	0	0	0	0	0	0	0	0
1997	0.000	0	0	0	0	0	0	0	0
1998	0.000	0	0	0	0	0	0	0	0
1999	0.083	295	3,085	29	22	115	58	0	403
2000	0.086	305	3,085	30	22	124	64	0	417
2001	0.089	315	3,085	31	23	133	65	0	436
2002	0.091	325	3,085	31	24	143	75	0	449
2003	0.094	335	3,085	32	25	154	79	0	468
2004	0.097	346	3,085	33	25	166	88	0	483
2005	0.101	358	3,085	34	26	179	95	0	501
2006	0.104	369	3,085	35	27	192	103	0	520
2007	0.107	381	3,085	36	28	207	112	0	540
2008	0.111	394	3,085	37	29	223	125	0	557
2009	0.114	406	3,085	38	30	239	136	0	577
2010	0.118	420	3,085	39	30	258	150	0	597
2011	0.122	433	3,085	40	31	277	174	0	608
2012	0.126	447	3,085	41	32	298	182	0	638
2013	0.130	462	3,085	43	33	321	189	0	670
2014	0.134	477	3,085	44	34	346	197	0	704
2015	0.139	492	3,085	45	35	372	204	0	740
2016	0.143	508	3,085	46	37	400	213	0	779
2017	0.148	525	3,085	48	38	431	221	0	820
2018	0.153	542	3,085	49	39	463	230	0	863
2019	0.157	560	3,085	50	40	499	240	0	909
2020	0.163	578	3,085	52	41	537	251	0	957
2021	0.168	597	3,085	53	43	577	261	0	1,008
2022	0.173	616	3,085	55	44	621	273	0	1,063
2023	0.179	638	3,085	56	45	669	285	0	1,121
2024	0.185	657	3,085	58	47	720	298	0	1,182
NOMINAL		11,778	80,220	1,085	850	8,664	4,366	0	18,011
NPV		3,200		301	233	1,958	1,023	0	4,667

* SUPPLEMENTAL INFORMATION NOT SPECIFIED IN WORKBOOK

AVOIDED T & D AND PROGRAM FUEL SAVINGS
 BusEdge
 DSM_RULE PROGRAM

* INSERVICE COSTS OF AVOIDED TRANS. (000) = \$635.7
 * INSERVICE COSTS OF AVOIDED DIST. (000) = \$245.5

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(1) YEAR	(2) AVOIDED TRANSMISSION CAPACITY COST \$(000)	(3) AVOIDED TRANSMISSION O&M COST \$(000)	(4) TOTAL AVOIDED TRANSMISSION COST \$(000)	(5) AVOIDED DISTRIBUTION CAPACITY COST \$(000)	(6) AVOIDED DISTRIBUTION O&M COST \$(000)	(7) TOTAL AVOIDED DISTRIBUTION COST \$(000)	(8) PROGRAM FUEL SAVINGS \$(000)
1995	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	50
1997	0	0	0	0	0	0	163
1998	0	0	0	0	0	0	282
1999	59	4	63	23	0	23	415
2000	61	4	65	23	0	23	580
2001	63	4	67	24	0	24	660
2002	65	4	69	25	0	25	753
2003	67	4	71	26	0	26	794
2004	69	4	73	27	0	27	883
2005	71	5	76	28	0	28	957
2006	74	5	78	28	0	28	1,043
2007	76	5	81	29	0	29	1,126
2008	78	5	84	30	0	30	1,260
2009	81	5	86	31	0	31	1,378
2010	84	5	89	32	0	32	1,518
2011	86	6	92	33	0	33	1,776
2012	89	6	95	34	0	34	1,853
2013	92	6	98	36	0	36	1,920
2014	95	6	101	37	0	37	2,000
2015	98	6	104	38	0	38	2,079
2016	101	6	108	39	0	39	2,162
2017	105	7	111	40	0	40	2,248
2018	108	7	115	42	0	42	2,338
2019	112	7	119	43	0	43	2,436
2020	115	7	123	44	0	44	2,542
2021	119	8	127	46	0	46	2,653
2022	123	8	131	47	0	47	2,768
2023	127	8	135	49	0	49	2,892
2024	131	8	139	51	0	51	3,023
NOMINA	2,349	150	2,499	907	0	907	44,551
NPV:	638	41	679	246	0	246	10,606

* SUPPLEMENTAL INFORMATION NOT SPECIFIED IN WORKBOOK

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
YEAR	REDUCTION IN KWH GENERATION NET NEW CUST KWH (000)	AVOIDED MARGINAL FUEL COST - REDUCED KWH \$(000)	INCREASE IN KWH GENERATION NET NEW CUST KWH (000)	INCREASED MARGINAL FUEL COST - INCREASE KWH \$(000)	NET AVOIDED PROGRAM FUEL SAVINGS \$(000)	EFFECTIVE PROGRAM FUEL SAVINGS \$(000)
1995	0	0	0	0	0	0
1996	3,189	50	0	0	50	50
1997	9,567	163	0	0	163	163
1998	15,945	282	0	0	282	282
1999	22,323	415	0	0	415	415
2000	28,702	580	0	0	580	580
2001	31,891	660	0	0	660	660
2002	31,891	753	0	0	753	753
2003	31,891	794	0	0	794	794
2004	31,891	883	0	0	883	883
2005	31,891	957	0	0	957	957
2006	31,891	1,043	0	0	1,043	1,043
2007	31,891	1,126	0	0	1,126	1,126
2008	31,891	1,260	0	0	1,260	1,260
2009	31,891	1,378	0	0	1,378	1,378
2010	31,891	1,518	0	0	1,518	1,518
2011	31,891	1,776	0	0	1,776	1,776
2012	31,891	1,853	0	0	1,853	1,853
2013	31,891	1,920	0	0	1,920	1,920
2014	31,891	2,000	0	0	2,000	2,000
2015	31,891	2,079	0	0	2,079	2,079
2016	31,891	2,162	0	0	2,162	2,162
2017	31,891	2,248	0	0	2,248	2,248
2018	31,891	2,338	0	0	2,338	2,338
2019	31,891	2,436	0	0	2,436	2,436
2020	31,891	2,542	0	0	2,542	2,542
2021	31,891	2,653	0	0	2,653	2,653
2022	31,891	2,768	0	0	2,768	2,768
2023	31,891	2,892	0	0	2,892	2,892
2024	31,891	3,023	0	0	3,023	3,023
NOMINAL	845,100	44,551	0	0	44,551	44,551
NPV:		10,606		0	10,606	10,606

* SUPPLEMENTAL INFORMATION NOT SPECIFIED IN WORKBOOK

Florida Public Service Commission
 Case No. 960002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. _____ (MR-3)
 Attachment B
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(1) YEAR	(2) - (7) UTILITY PROGRAM COSTS & REBATES						(8) - (18) PARTICIPATING CUSTOMER COSTS & BENEFITS										
	(2) UTIL NONREC. COSTS \$(000)	(3) UTIL RECUR COSTS \$(000)	(4) TOTAL UTIL PGM COSTS \$(000)	(5) UTIL NONREC. REBATES \$(000)	(6) UTIL RECUR. REBATES \$(000)	(7) TOTAL REBATE/ INCENT COSTS \$(000)	(8) PARTIC. CUST EQUIP COSTS \$(000)	(9) PARTIC. CUST O & M COSTS \$(000)	(10) TOTAL COSTS PARTIC. CUST \$(000)	(11) REDUCT. IN CUST. KWH (000)	(12) RED. REV. - FUEL NONFUEL PORTION PORTION \$(000)	(13) RED. REV. NONFUEL REDUCE IN BILL \$(000)	(14) EFFECT. REV. IN BILL \$(000)	(15) INC IN CUST KWH (000)	(16) INC. REV. - FUEL NONFUEL PORTION PORTION \$(000)	(17) INC. REV. NONFUEL PORTION PORTION \$(000)	(18) EFFECT. REVENU INC IN BILL \$(000)
1995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996	75	0	75	0	0	0	0	0	0	2,944	65	83	148	0	0	0	0
1997	77	0	77	0	0	0	0	0	0	8,831	187	252	439	0	0	0	0
1998	80	0	80	0	0	0	0	0	0	14,718	307	425	732	0	0	0	0
1999	0	0	0	0	0	0	0	0	0	20,605	405	601	1,006	0	0	0	0
2000	0	0	0	0	0	0	0	0	0	26,492	491	782	1,273	0	0	0	0
2001	0	0	0	0	0	0	0	0	0	29,435	550	879	1,429	0	0	0	0
2002	0	0	0	0	0	0	0	0	0	29,435	570	889	1,459	0	0	0	0
2003	0	0	0	0	0	0	0	0	0	29,435	590	899	1,489	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	29,435	619	909	1,528	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	29,435	648	920	1,568	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	29,435	669	930	1,599	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	29,435	695	941	1,636	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	29,435	723	952	1,675	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	29,435	687	963	1,650	0	0	0	0
2010	0	0	0	0	0	0	0	0	0	29,435	713	974	1,687	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	29,435	704	985	1,689	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	29,435	714	996	1,710	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	29,435	745	1,008	1,752	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	29,435	776	1,019	1,795	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	29,435	805	1,031	1,837	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	29,435	852	1,043	1,895	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	29,435	903	1,055	1,959	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	29,435	946	1,067	2,014	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	29,435	986	1,079	2,065	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	29,435	1,030	1,092	2,122	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	29,435	1,077	1,104	2,182	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	29,435	1,009	1,117	2,126	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	29,435	1,181	1,130	2,311	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	29,435	1,235	1,143	2,378	0	0	0	0
	231	0	231	0	0	0	0	0	0	780,028	20,880	26,270	47,150	0	0	0	0
	197	0	197	0	0	0	0	0	0		5,920	8,074	13,994	0	0	0	0

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* SUPPLEMENTAL INFORMATION NOT SPECIFIED IN WORKBOOK

TOTAL RESOURCE COST TESTS
 BusEdge
 DSM_RULE PROGRAM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
YEAR	INCREASED SUPPLY COSTS \$(000)	UTILITY PROGRAM COSTS \$(000)	PARTICIPANT PROGRAM COSTS \$(000)	OTHER COSTS \$(000)	TOTAL COSTS \$(000)	AVOIDED GEN UNIT BENEFITS \$(000)	AVOIDED T & D BENEFITS \$(000)	PROGRAM FUEL SAVINGS \$(000)	OTHER BENEFITS \$(000)	TOTAL BENEFITS \$(000)	NET BENEFITS \$(000)	CUMULATIVE DISCOUNTED NET BENEFITS \$(000)
1995	0	0	0	0	0	0	0	0	0	0	0	0
1996	0	75	0	0	75	75	0	50	0	50	50	(25)
1997	0	77	0	0	77	152	0	163	0	163	212	86
1998	0	80	0	0	80	231	0	282	0	282	495	203
1999	0	0	0	0	0	231	403	415	0	903	1,398	903
2000	0	0	0	0	0	231	417	580	0	1,085	2,483	1,085
2001	0	0	0	0	0	231	436	660	0	1,187	3,670	1,187
2002	0	0	0	0	0	231	449	753	0	1,295	4,965	1,295
2003	0	0	0	0	0	231	468	794	0	1,359	6,324	1,359
2004	0	0	0	0	0	231	483	883	0	1,467	7,791	1,467
2005	0	0	0	0	0	231	501	957	0	1,562	9,352	1,562
2006	0	0	0	0	0	231	520	1,043	0	1,670	11,022	1,670
2007	0	0	0	0	0	231	540	1,126	0	1,776	12,798	1,776
2008	0	0	0	0	0	231	557	1,260	0	1,931	14,729	1,931
2009	0	0	0	0	0	231	577	1,378	0	2,073	16,802	2,073
2010	0	0	0	0	0	231	597	1,518	0	2,237	19,038	2,237
2011	0	0	0	0	0	231	608	1,776	0	2,510	21,548	2,510
2012	0	0	0	0	0	231	638	1,853	0	2,620	24,168	2,620
2013	0	0	0	0	0	231	670	1,920	0	2,724	26,891	2,724
2014	0	0	0	0	0	231	704	2,000	0	2,842	29,733	2,842
2015	0	0	0	0	0	231	740	2,079	0	2,962	32,695	2,962
2016	0	0	0	0	0	231	779	2,162	0	3,088	35,783	3,088
2017	0	0	0	0	0	231	820	2,248	0	3,220	39,003	3,220
2018	0	0	0	0	0	231	863	2,338	0	3,357	42,360	3,357
2019	0	0	0	0	0	231	909	2,436	0	3,507	45,867	3,507
2020	0	0	0	0	0	231	957	2,542	0	3,666	49,532	3,666
2021	0	0	0	0	0	231	1,008	2,653	0	3,834	53,366	3,834
2022	0	0	0	0	0	231	1,063	2,768	0	4,009	57,375	4,009
2023	0	0	0	0	0	231	1,121	2,892	0	4,197	61,573	4,197
2024	0	0	0	0	0	231	1,182	3,023	0	4,396	65,968	4,396
NOMINAL	0	231	0	0	231	18,011	3,406	44,551	0	65,96		65,737
NPV:	0	197	0	0	197	4,667	925	10,606	0	16,199		16,002

Discount Rate 8.47%
 Benefit/Cost Ratio: col (11) / col (6)

82.4

14

PARTICIPANT COSTS AND BENEFITS
 BusEdge
 DSM_RULE PROGRAM

15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
YEAR	CUSTOMER EQUIPMENT COSTS \$(000)	CUSTOMER O & M COSTS \$(000)	OTHER COSTS \$(000)	TOTAL COSTS \$(000)	SAVINGS IN PARTICIPANT BILL \$(000)	TAX CREDITS \$(000)	UTILITY REBATES \$(000)	OTHER BENEFITS \$(000)	TOTAL BENEFITS \$(000)	NET BENEFITS \$(000)	CUMULATIVE DISCOUNTED NET BENEFITS \$(000)
1995	0	0	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	148	148	136
1997	0	0	0	0	0	0	0	0	439	439	509
1998	0	0	0	0	0	0	0	0	732	732	1,083
1999	0	0	0	0	0	0	0	0	1,006	1,006	1,809
2000	0	0	0	0	0	0	0	0	1,273	1,273	2,657
2001	0	0	0	0	0	0	0	0	1,429	1,429	3,534
2002	0	0	0	0	0	0	0	0	1,459	1,459	4,359
2003	0	0	0	0	0	0	0	0	1,489	1,489	5,136
2004	0	0	0	0	0	0	0	0	1,528	1,528	5,871
2005	0	0	0	0	0	0	0	0	1,568	1,568	6,566
2006	0	0	0	0	0	0	0	0	1,599	1,599	7,219
2007	0	0	0	0	0	0	0	0	1,636	1,636	7,835
2008	0	0	0	0	0	0	0	0	1,675	1,675	8,417
2009	0	0	0	0	0	0	0	0	1,650	1,650	8,946
2010	0	0	0	0	0	0	0	0	1,687	1,687	9,444
2011	0	0	0	0	0	0	0	0	1,689	1,689	9,903
2012	0	0	0	0	0	0	0	0	1,710	1,710	10,332
2013	0	0	0	0	0	0	0	0	1,752	1,752	10,738
2014	0	0	0	0	0	0	0	0	1,795	1,795	11,120
2015	0	0	0	0	0	0	0	0	1,837	1,837	11,481
2016	0	0	0	0	0	0	0	0	1,895	1,895	11,825
2017	0	0	0	0	0	0	0	0	1,959	1,959	12,152
2018	0	0	0	0	0	0	0	0	2,014	2,014	12,462
2019	0	0	0	0	0	0	0	0	2,065	2,065	12,755
2020	0	0	0	0	0	0	0	0	2,122	2,122	13,033
2021	0	0	0	0	0	0	0	0	2,182	2,182	13,296
2022	0	0	0	0	0	0	0	0	2,126	2,126	13,533
2023	0	0	0	0	0	0	0	0	2,311	2,311	13,770
2024	0	0	0	0	0	0	0	0	2,378	2,378	13,994
NOMINAL	0	0	0	0	47,150	0	0	0	47,150	47,150	
NPV:	0	0	0	0	13,994	0	0	0	13,994	13,994	

In service year of gen unit:
 Discount rate:
 Benefit/Cost Ratio: col (10) / col (5)

1999
 8.47%

ERR

Florida Public Service Commission
 Docket No. 960002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. (MDN-3)
 Attachment B
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RATE IMPACT TEST
 BusEdge
 DSM_RULE PROGRAM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
YEAR	INCREASED SUPPLY COSTS	UTILITY PROGRAM COSTS	INCENTIVES	REVENUE LOSSES	OTHER COSTS	TOTAL ACCUM COSTS	AVOIDED GEN UNIT BENEFITS	T & D BENEFITS	FUEL BENEFITS	REVENUE GAINS	OTHER BENEFITS	TOTAL ACCUM BENEFITS	BENEFITS TO ALL CUSTOMERS	NET CUMULATIVE DISCOUNTED NET BENEFIT
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
1985	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1986	0	75	0	148	0	223	0	0	50	0	0	50	(173)	(158)
1987	0	77	0	439	0	516	738	0	163	0	0	212	(353)	(458)
1988	0	80	0	732	0	811	1,550	0	282	0	0	282	(528)	(874)
1989	0	0	0	1,006	0	1,006	2,555	85	415	0	0	903	(103)	(948)
2000	0	0	0	1,273	0	1,273	3,828	88	590	0	0	1,085	(1,073)	(1,073)
2001	0	0	0	1,429	0	1,429	5,257	91	660	0	0	1,187	(1,187)	(1,222)
2002	0	0	0	1,459	0	1,459	6,716	94	753	0	0	1,295	(1,300)	(1,314)
2003	0	0	0	1,489	0	1,489	8,205	97	794	0	0	1,358	(1,358)	(1,382)
2004	0	0	0	1,528	0	1,528	9,733	100	863	0	0	1,467	(1,467)	(1,411)
2005	0	0	0	1,568	0	1,568	11,300	103	957	0	0	1,562	(1,562)	(1,414)
2006	0	0	0	1,599	0	1,599	12,899	107	1,043	0	0	1,670	(1,670)	(1,385)
2007	0	0	0	1,636	0	1,636	14,535	110	1,126	0	0	1,778	(1,778)	(1,332)
2008	0	0	0	1,675	0	1,675	16,210	114	1,260	0	0	1,931	(1,931)	(1,243)
2009	0	0	0	1,650	0	1,650	17,860	118	1,378	0	0	2,073	(2,073)	(1,108)
2010	0	0	0	1,687	0	1,687	19,547	121	1,518	0	0	2,237	(2,237)	(948)
2011	0	0	0	1,689	0	1,689	21,236	125	1,778	0	0	2,510	(2,510)	(723)
2012	0	0	0	1,710	0	1,710	22,946	129	1,853	0	0	2,620	(2,620)	(494)
2013	0	0	0	1,752	0	1,752	24,689	134	1,920	0	0	2,724	(2,724)	(270)
2014	0	0	0	1,795	0	1,795	26,494	138	2,000	0	0	2,842	(2,842)	(46)
2015	0	0	0	1,837	0	1,837	28,330	142	2,078	0	0	2,962	(2,962)	175
2016	0	0	0	1,895	0	1,895	30,225	147	2,162	0	0	3,088	(3,088)	361
2017	0	0	0	1,859	0	1,859	32,184	152	2,248	0	0	3,220	(3,220)	602
2018	0	0	0	2,014	0	2,014	34,197	157	2,338	0	0	3,357	(3,357)	809
2019	0	0	0	2,065	0	2,065	36,262	162	2,436	0	0	3,507	(3,507)	1,013
2020	0	0	0	2,122	0	2,122	38,384	167	2,542	0	0	3,668	(3,668)	1,215
2021	0	0	0	2,182	0	2,182	40,566	172	2,653	0	0	3,834	(3,834)	1,415
2022	0	0	0	2,128	0	2,128	42,892	178	2,768	0	0	4,009	(4,009)	1,624
2023	0	0	0	2,311	0	2,311	45,003	184	2,892	0	0	4,187	(4,187)	1,817
2024	0	0	0	2,378	0	2,378	47,381	190	3,023	0	0	4,396	(4,396)	2,008
NOMINAL	0	231	0	47,150	0	47,381	18,011	3,406	44,551	0	0	65,908	18,587	
NPV	0	197	0	13,994	0	14,191	4,667	925	10,606	0	0	16,199	2,008	

Discount rate
 Benefits / Cost Ratio - Col (12)/Col (7)
 8.47%
 1.14

Florida Public Service Commission
 Docket No. 960002-EG
 GULF POWER COMPANY
 Witness: Margaret D. Neyman
 Exhibit No. (MN-3)
 Attachment B
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