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September 8, 2008

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

RECEIVED-FPSC
08 SEP -9 PM 3:52
COMMISSION
CLERK

Dear Ms. Cole:

RE: Docket No. 080395-EG
Staff's Data Request

This correspondence is sent in response to Commission Staff's Data Request dated August 27, 2008. Thank you for the opportunity to further address Gulf Power's proposed Energy Education program. Gulf Power is truly excited about this program and looks forward to continue working with Staff to address any concerns or questions you may have.

Sincerely,

Susan D. Ritenour

lw

Attachment

cc: Beggs and Lane
Jeffrey A. Stone
Florida Public Service Commission
Katherine Fleming

DOCUMENT NUMBER DATE

08374 SEP-9 8

FPSC-COMMISSION CLERK

**Response to Staff's Data Request dated August 27, 2008
In Regards to Docket No. 080395-EG, Petition for Approval of Modifications to
Demand-side Management Plan by Gulf Power Company
September 8, 2008**

In December 2007, the Florida Energy Commission (FEC) submitted its 2007 Report to the Legislature. In its report, the FEC recommended that "there is a need for broad-based education and awareness to enhance participation in utility conservation programs, enhance energy efficiency generally and help consumers make informed choices about energy use. This activity should be funded through the energy conservation cost recovery clause mechanism, with the recognition by the Florida Public Service Commission (FPSC) that, because the immediate results of such energy education and consumer awareness efforts may be difficult to measure, the costs should be monitored by the FPSC, but not subjected to traditional energy conservation program cost-effectiveness tests." (2007 Report at p. 114). Various working groups within the Governor's Action Team on Energy and Climate Change have also advocated increased education and consumer awareness regarding conservation and energy efficiency.

Gulf Power's proposed Energy Education program reflects the Company's attempt to "get the word out" to its customers about practical ways to lower overall energy use and increase energy efficiency and conservation. The overall budget for the consumer awareness campaign of the Energy Education program is primarily attributed to "advertising." However, in this case, advertising represents the essence of the program -- educating our customers. The message will not relate to a specific approved conservation program offered by Gulf Power, or to enhancing Gulf's corporate image, but will instead provide a broad-based foundation for understanding that Gulf believes will increase its customers' willingness to participate in existing and future DSM programs, including energy audits, geothermal heating and cooling, etc. Given the directive in Rule 25-17.015(5) that advertising expense recovered through the energy conservation cost recovery clause must be "directly related" to an approved conservation program, consumer awareness messages of the sort contemplated under Gulf's proposed Energy Education Program would not be possible under the Company's current DSM Plan. Therefore, we are requesting approval of a new program that does provide for this degree of flexibility.

We envision a variety of ways to achieve the program's objective, including traditional mass media, internet, and edutainment sessions at home shows/retail establishments. We plan to measure the success of this program through customer surveying and program participation surveys.

In short, Gulf Power believes increasing our educational efforts in the area of energy efficiency and conservation will provide benefits to all of our current and future DSM programs.

DOCUMENT NUMBER DATE

08374 SEP -9 8

Page 1 of 13

FPSC-COMMISSION CLERK

1. Regarding the proposed Energy Education Program, please explain or identify the specific metrics that will be used to assess the effectiveness of the advertising campaign.

The effectiveness of the consumer awareness component of the proposed Energy Education Program will be assessed by tracking a number of measures including Consumer Awareness and Consumer Response.

- a. Consumer Awareness – Beginning with a baseline survey and continuing annually, Gulf Power plans to survey a representative sample of our customers to gauge their awareness and understanding of the specific messages contained in the consumer awareness component of the proposed Energy Education Program. Results will be compared to the baseline from the preceding year and trended where applicable, in order to detect changes in awareness and the effectiveness of the consumer awareness component of the program. Survey methods could include mail, phone, or online.
- b. Consumer Response – Gulf intends to offer our customers a number of ways to obtain information about energy efficiency and conservation through the Energy Education Program. These various information avenues, including the campaign website, email requests for information and calls to the Gulf Power toll free number, will be monitored. Each month, the traffic to each will be tallied and used as a tool to help measure if the messages are being delivered successfully.
- c. Ongoing Assessment- Gulf will consistently monitor the effectiveness of the program. Effectiveness will be determined by comparing survey results for the then-current year with survey results from the preceding year and assessing whether customer awareness has increased in a statistically significant manner. The “significance” of an increase for purposes of determining effectiveness will depend on the baseline survey data and the dollars ultimately spent. In the event that Gulf determines that the message is not achieving the intended awareness and response results, or that changes to the program are needed, Gulf will notify the Commission and proceed accordingly.

2. Please explain the basis of the Energy Education Program advertising budget, i.e. what led to the \$800,000 estimate.

Gulf Power has consulted with Luckie & Company Advertising agency regarding the implementation of the consumer awareness component of the Energy Education Program. Luckie & Company is an experienced agency and has assisted Gulf Power on numerous advertising projects in the past. Based on discussions with Luckie & Company, Gulf Power has determined that approximately 90% of the residential customers in Gulf Power’s service area

should be exposed to a particular message an average of three or more times. Gulf Power's residential customer base as of July 31 was 375,879. Based on current pricing estimates, the \$800,000 figure represents the media and production costs necessary to achieve these goals. Luckie & Company has developed a plan for the media campaign to be successful.

Because this campaign is targeted at the very broad group of Gulf Power's customers, multiple media outlets and multiple occurrences over time are necessary to reach the intended audience. Television provides the broadest reach of these media, while radio, print, outdoor and online messaging provide extension of the campaign to consumers who are not accessible through television programming. Also, use of these mixed sources provides a more cost-effective solution than television alone.

The television, radio, outdoor and print ads will be placed with the respective entities that cover the entire Gulf Power Company service area. Online messages will be targeted at the county and zip code level and will be present on a variety of websites that draw those interested in news, home improvement, environmental issues, etc.

Through the plan developed by Luckie & Company, the consumer awareness component of the Energy Education Program will achieve the objective of providing a broad reach of the energy efficiency and conservation message to our customers.

3. Please provide a detailed listing of the anticipated use of the Energy Education Program advertising budget.

The following provides preliminary estimates of the media channels, occurrences and costs for the consumer awareness component of the Energy Education Program:

<u>Channel</u>	<u>No. of Ads</u>	<u>Occurrences</u>	<u>Cost</u>
TV/Cable (30 sec)	1	750/600	\$300,000
Radio (60 sec)	2	4,000	\$160,000
Outdoor (billboard)	2	200	\$150,000
Print (1/4 page)	5	150	\$140,000
Online	3	1.3 million	\$50,000

- 4. Please provide sample copies of the proposed Energy Education Program advertising to promote energy efficiency and Gulf's energy conservation programs.**

Two sample ads are attached as Exhibit "A." These are illustrative of the types of messages which will be utilized under the program and do not necessarily reflect the final versions of the ads themselves. Note that these messages are geared toward increasing awareness of energy efficiency and conservation in general, and do not focus on specific, approved conservation programs offered by Gulf Power.

- 5. Please provide samples of current "energy awareness" advertisements.**

Gulf currently does not utilize any "energy awareness" advertisements. As required by Rule 25-17.015(5), Gulf's advertising under its current DSM plan relates directly to specific, approved programs. For example, advertisements funded through Gulf's Energy Audit Program relate directly to encouraging customers to participate in that program. See examples attached as Exhibit "B." It is for this reason that Gulf seeks approval of the Energy Education Program which, in turn, would allow for more generalized "energy awareness" types of messages.

- 6. Please explain whether the Energy Education Program advertising will include the promotion of renewable energy or strictly focus on reducing energy consumption.**

The objective of the Energy Education Program is to increase awareness of the importance of energy conservation and to increase customer participation in conservation opportunities including Gulf Power's existing and future energy efficiency and conservation programs. The consumer awareness component of the program will therefore focus only on energy efficiency and conservation. However, the School-Based Education and Community-Based Education components of the program are broader in nature and will further the objectives of FEECA through educating the community regarding energy-related topics including conservation, efficiency, generation and renewable energy.

- 7. Please explain or identify the demographics or targeted audience (residential, commercial, industrial, income brackets, etc.) of the proposed Energy Education Program's advertising.**

Overall, the target audience for the consumer awareness component of the Energy Education Program will include all residential customers, among all income brackets, within the Gulf Power service area. In order to reach all demographics,

media placement will include all daily newspapers, as well as targeted weeklies, TV news and weather, morning shows, primetime, radio and outdoor billboards.

8. **Please provide a recalculation of the recently provided RIM test for the Solar Thermal Water Heating Pilot Program, without considering lost revenues (“Changes in Electric Revenues”), as specified by the 2008 revision to Chapter 366.82(3)(a), F.S.**

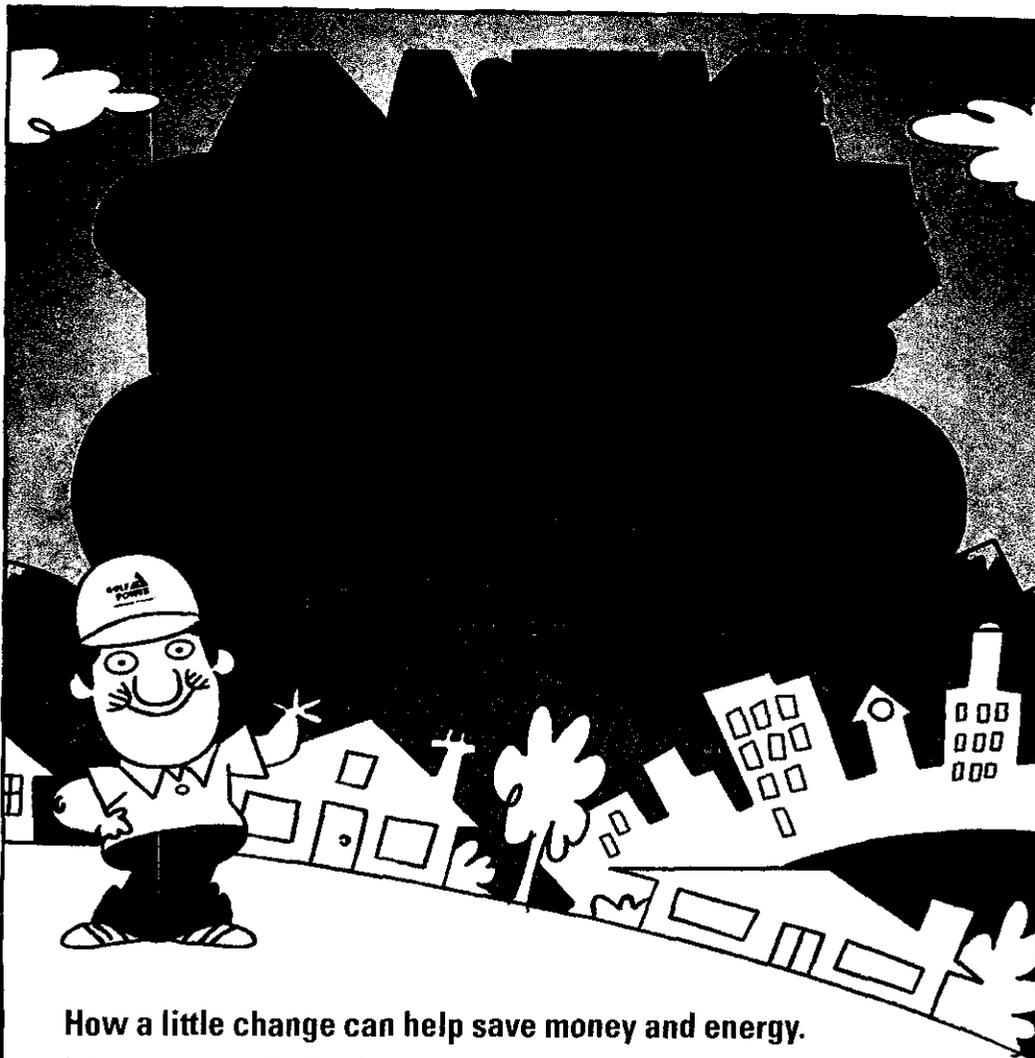
Gulf does not interpret section 366.82(3), as amended by HB 7135, as calling for calculation of RIM without consideration of lost revenues. Nevertheless, calculating the RIM cost-effectiveness of the Solar Thermal Water Heating program without including the “change in electric revenues” results in the following:

Net Present Value Benefits=	\$584,784
Net Present Value Cost=	\$207,948
Ratio=	2.81

This adjustment to the RIM test is defined in the California Standard Practice Manual as the Program Administrator Cost (PAC) test (also known as the Utility Cost test). Back-up documentation is attached as Exhibit “C.”

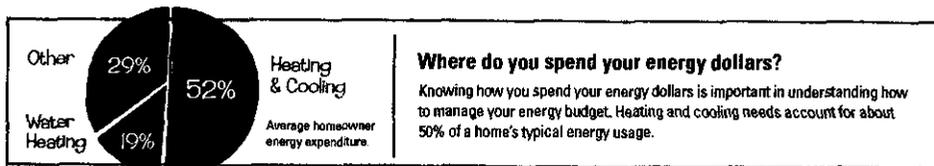
9. **Please explain or identify how much money Gulf has spent on the Solar Thermal Water Heating Pilot Program, including expenditures for the web page http://www.gulfpower.com/residential/solar_water_heating.asp and the five associated pages.**

Subsequent to filing its petition to modify its DSM Plan, Gulf Power began receiving inquiries from media and its customers regarding the proposed Solar Thermal Water Heating Pilot Program. Rather than addressing these inquiries in a piecemeal fashion, Gulf decided to create the above-referenced link on its webpage and to direct all inquires to the link. To date, Gulf has incurred \$250 in charges from Southern Company Services associated with updating its website to reference the proposed Solar Thermal Water Heating Pilot Program. In addition, Gulf’s Residential/Mass Marketing Department has invested approximately eight hours in developing the update to the website. This translates to \$449 using an hourly rate of \$56.13 which includes salary and overhead.



How a little change can help save money and energy.

As the energy experts, we think change is a good thing. So we're always researching new state-of-the-art technologies and alternative fuels in order to provide cleaner, more efficient ways to help power your world. And you can do things to help, as well. Because you'll find lots of tips and information on changes you can make in your home and your life. Not only will you feel good about it, but you might just save more than you ever thought possible. Change can be a very good thing.



PRACTICAL WAYS TO LOWER YOUR ENERGY USAGE.

There are many steps you can take to save money and energy without impacting your overall quality of life and comfort level. Below are just a few of them. For more visit changewilldousgood.com.

HEATING & COOLING

- Set your thermostats at 78°F in the summer and 68°F in the winter and leave them there. You can immediately realize a 3% to 5% decrease in energy use for every degree you adjust the thermostat setting above or below your normal setting.
- Maintain heating and cooling unit efficiency by changing your filters monthly during the heating and cooling season. If you have pleated filters, change them at least every three months.

WATER HEATING

- Turn down your water heater thermostat. A setting of 120°F is adequate for most homes with newer dishwashers.
- Take quick showers instead of baths. This greatly reduces the amount of hot water needed.

REFRIGERATOR

- Refrigerators and freezers can be an area of significant energy loss. Make sure they are as full as possible and that the seals are in good condition. This will cut down on energy escaping when you open the door.
- Avoid putting refrigerators or freezers in unconditioned spaces like garages if possible.

DISHWASHER

- Turn off the drying cycle if you do not need to dry dishes immediately.
- Wait until your dishwasher is full before using it. Automatic dishwashers require the same amount of hot water and electricity to wash a partial load as a full load.

LIGHTING

- Use smaller lamps over work areas such as desktops so work can be done without lighting the whole room.
- Turn off lights when you do not need them and use motion sensors where practical.

WASHER AND DRYER

- Wash clothes in warm or cold water and rinse them in cold water. Use hot water only when necessary.
- Wash a full load at a time but do not overload. A small load in a washing machine consumes just as much energy as a full load.

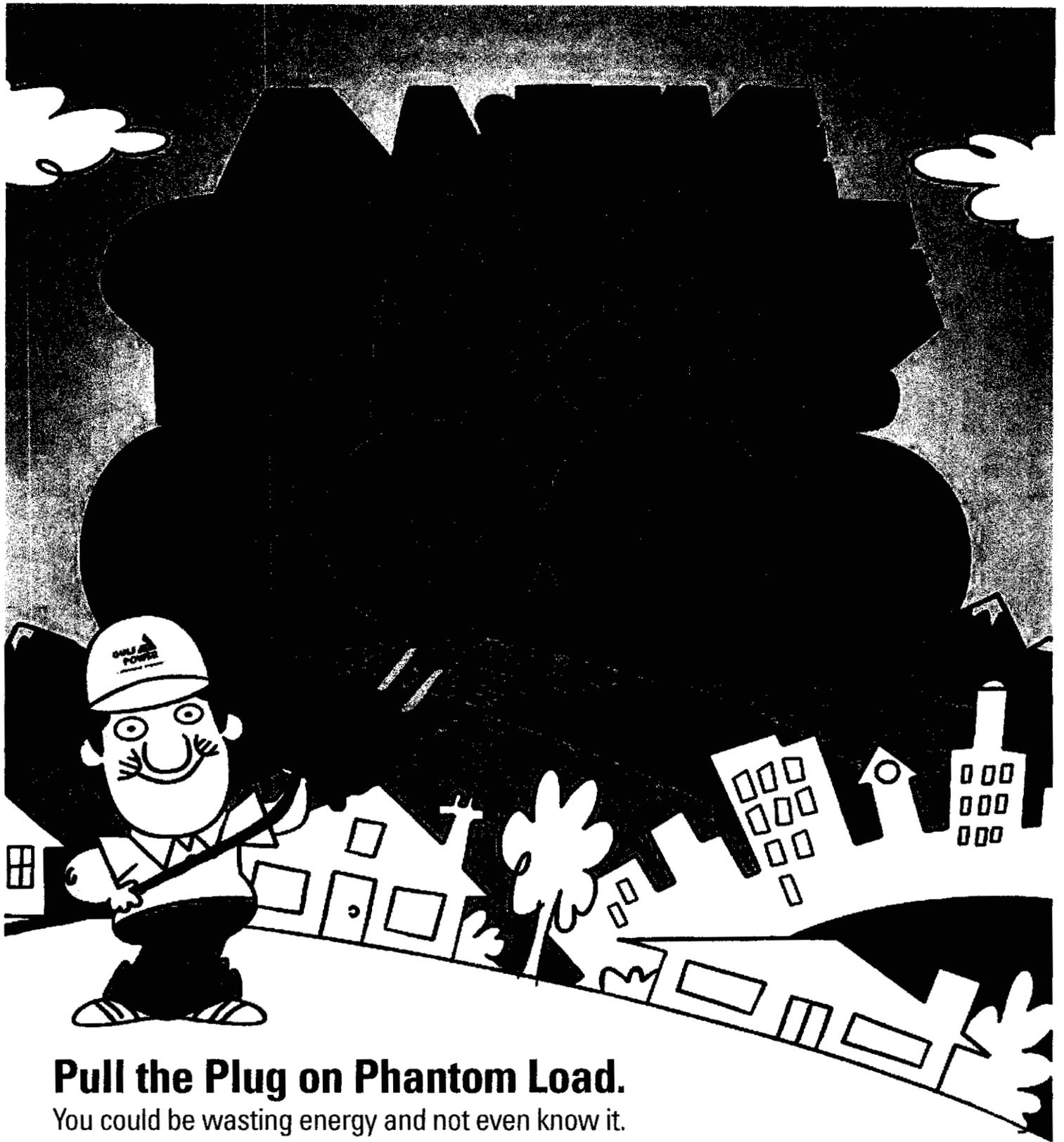
ADDITIONAL ENERGY SAVING TIPS.

The following energy tips will require a larger monetary investment, but, over an extended period of time, will pay for themselves in energy savings.

- Install double-paned replacement windows. ENERGY STAR qualified Low-E windows or storm windows. They will greatly reduce heat loss in the winter and heat gain in the summer. They also will help decrease the outside noise that enters your home.
- Consider installing storm doors. Storm doors create a pocket of insulated air space between the door and the storm door, helping to reduce heat transfer into and out of the home.



CHANGING THE WAY WE LIVE



Pull the Plug on Phantom Load.

You could be wasting energy and not even know it.

Did you know some electrical devices are buying power, even when they are turned off? Yup. It's called phantom load. Phantom load is energy that is wasted by items when they aren't being used. But the good news is you can eliminate this unnecessary energy cost by unplugging power adapters for laptop computers, printers and cell phone chargers; and kitchen items like blenders, coffee pots and toasters. Sometimes a little change can make a big difference. We just have to pull together.



Page 7 of 13
GULF POWER COMPANY

It's time your home had an energy checkup.

You're not the only one who needs an occasional checkup. Your home could use one too. An Energy Checkup from Gulf Power can save you up to 50% on your energy bill. Just log on to gulfpower.com. Answer a few questions about your home. And we'll use those answers to recommend ways to make it more energy efficient. Log on today. It only takes about five minutes. Or call Gulf Power and we'll mail an Energy Checkup to your home. **1-877-655-4001** gulfpower.com



e 8 of 13

INPUT DATA -- PART 1

Cost-Effectiveness Analysis per Rule 25-17.008 Florida Administrative Code

I. Program Demand Impacts and Line Losses

(1) Change in Peak kW Customer at meter	-0.25	kW/Cus
(2) Change in Peak kW per Customer at generator	-0.33	kW Gen/Cus
(3) kW Line Loss Percentage	14.21%	
(4) Change in KWh per Customer at generator	(2,835)	kWh/Cus/Yr
(5) kWh Line Loss Percentage	9.05%	
(6) Group Line Loss Multiplier	1.0007	
(7) Annual Change in Customer kWh at Meter	(2,600)	kWh/Cus/Yr
* (8) Change in Winter kW per Cust at meter	-0.25	kW/Cus

II. Economic Life and K-Factors

(1) DSM Program Study Period	20	Years
(2) Economic Life of Incremental Generation	40	Years
(3) Economic Life of Incremental T&D	35	Years
(4) K-Factor for Generation	1.4640	
(5) K-Factor for T&D	1.4604	
* (6) Switch: Rev Req (0) or Val-of-Def (1)	1	

III. Utility & Customer Costs

(1) Utility Nonrecurring Cost Per Customer	\$0.00	\$/Cus
(2) Utility Recurring Cost Per Customer	\$0.00	\$/Cus/Year
(3) Utility Cost Escalation Rate	0.00%	
(4) Customer Equipment Cost	\$3,800.00	\$/Cus
(5) Customer Equipment Cost Escalation Rate	1.90%	
(6) Customer O&M Cost	\$0.00	\$/Cus/Year
(7) Customer O&M Cost Escalation Rate	1.90%	
* (8) Customer Tax Credit Per Installation	\$0.00	\$/Cus
(9) Customer Tax Credit Escalation Rate	1.90%	
* (10) Change in Supply Costs	\$0.00	\$/Cus/Year
* (11) Supply Costs Escalation Rate	1.90%	
* (12) Utility Discount Rate	8.44%	
* (13) Utility AFUDC Rate	7.48%	
* (14) Utility Nonrecurring Rebate/Incentive	\$1,000.00	\$/Cus
* (15) Utility Recurring Rebate/Incentive	\$0.00	\$/Cus/Year
* (16) Utility Rebate/Incentive Escalation Rate	0.00%	

IV. Incremental Generation, Transmission, & Distribution Costs

(1) Base Year	2009	
(2) In-Service Year For Incremental Generation	2014	**
(3) In-Service Year For Incremental T & D	2010	
(4) Base Year Incremental Generation Cost	\$655.49	\$/kW
(5) Base Year Incremental Transmission Cost	\$140.37	\$/kW
(6) Base Year Incremental Distribution Cost	\$68.29	\$/kW
(7) Gen, Tran, & Dist Cost Escalation Rate	1.90%	
(8) Generator Fixed O & M Cost	\$0.00	\$/kW/Yr
(9) Generator Fixed O&M Escalation Rate	#DIV/0!	
(10) Transmission Fixed O & M Cost	\$1.75	\$/kW/Yr
(11) Distribution Fixed O & M Cost	\$1.71	\$/kW/Yr
(12) T&D Fixed O&M Escalation Rate	1.90%	
(13) Incremental Gen Variable O & M Costs	\$0.000	\$/kW/Yr
(14) Incre Gen Variable O&M Cost Esc Rate	0.00%	
(15) Incremental Gen Capacity Factor	40.80%	
(16) Incremental Generating Unit Fuel Cost	\$0.0689	\$/kWh
(17) Incremental Gen Unit Fuel Esc Rate	3.31%	
(18) Incremental Purchased Capacity Cost	\$12.49	\$/KW/YR
(19) Incremental Capacity Cost Esc Rate	11.69%	

Stop Revenue Loss at In-Service Year? (Y=1, N=0) 0

V. (1) Non-Fuel Cost in Customer Bill (Base Year)

(1) Non-Fuel Cost In Customer Bill (Base Year)	\$0.0473	\$/kWh
(2) Non-Fuel Escalation Rate	Per Table	
(3) Customer Demand Charge Per kW (Base Year)	\$0.0000	\$/kW/Mo
(4) Demand Charge Escalation Rate	Per Table	
* (5) Average Annual Change in Monthly Billing kW	0	kW/Mo.

Summary Results for This Analysis

	RIM	Participants*
NPV Benefits(\$000s)	\$585	\$828
NPV Costs (\$000s)	\$828	\$804
NPV Net Benefits (\$000s)	(\$244)	\$24
Benefit:Cost Ratio	0.706	1.030

* Supplemental information.

** The relevant avoidable generation unit is a combined cycle unit.

**Total Resource Cost-Effectiveness Measure
Cost-Effectiveness Analysis per Rule 25-17.008 Florida Administrative Code**

1	2	3	4	5	6	7	8	9	10	11	12	13
Year	Change in Electric Supply Costs (\$000s)	Utility's Program Costs (\$000s)	Participants' Program Costs (\$000s)	Other Costs (\$000s)	Other Benefits (\$000s)	Incremental Generation Cap Costs (\$000s)	Incremental T&D Cap Costs (\$000s)	Incremental Prog Induced Fuel Costs (\$000s)	Total Costs (\$000s)	Total Benefits (\$000s)	Total Net Benefits (\$000s)	Cumulative Discounted Net Benefits (\$000s)
2009	\$0	\$0	\$285	\$0	\$0	\$0	\$0	(\$15)	\$285	\$15	(\$270)	(\$270)
2010	\$0	\$0	\$290	\$0	\$0	\$0	(\$1)	(\$29)	\$290	\$30	(\$260)	(\$510)
2011	\$0	\$0	\$296	\$0	\$0	\$0	(\$2)	(\$43)	\$296	\$45	(\$251)	(\$724)
2012	\$0	\$0	\$0	\$0	\$0	\$0	(\$2)	(\$42)	\$0	\$44	\$44	(\$689)
2013	\$0	\$0	\$0	\$0	\$0	\$0	(\$2)	(\$44)	\$0	\$46	\$46	(\$656)
2014	\$0	\$0	\$0	\$0	\$0	(\$6)	(\$2)	(\$47)	\$0	\$54	\$54	(\$620)
2015	\$0	\$0	\$0	\$0	\$0	(\$10)	(\$2)	(\$47)	\$0	\$59	\$59	(\$583)
2016	\$0	\$0	\$0	\$0	\$0	(\$10)	(\$2)	(\$51)	\$0	\$63	\$63	(\$548)
2017	\$0	\$0	\$0	\$0	\$0	(\$10)	(\$2)	(\$52)	\$0	\$64	\$64	(\$514)
2018	\$0	\$0	\$0	\$0	\$0	(\$10)	(\$2)	(\$55)	\$0	\$68	\$68	(\$481)
2019	\$0	\$0	\$0	\$0	\$0	(\$10)	(\$2)	(\$59)	\$0	\$72	\$72	(\$449)
2020	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$2)	(\$63)	\$0	\$76	\$76	(\$418)
2021	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$2)	(\$64)	\$0	\$77	\$77	(\$389)
2022	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$2)	(\$66)	\$0	\$79	\$79	(\$361)
2023	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$2)	(\$69)	\$0	\$82	\$82	(\$334)
2024	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$3)	(\$72)	\$0	\$86	\$86	(\$309)
2025	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$3)	(\$74)	\$0	\$88	\$88	(\$285)
2026	\$0	\$0	\$0	\$0	\$0	(\$11)	(\$3)	(\$77)	\$0	\$91	\$91	(\$262)
2027	\$0	\$0	\$0	\$0	\$0	(\$12)	(\$3)	(\$79)	\$0	\$93	\$93	(\$240)
2028	\$0	\$0	\$0	\$0	\$0	(\$12)	(\$3)	(\$82)	\$0	\$96	\$96	(\$220)
Nominal NPV	\$0	\$0	\$871	\$0	\$0	(\$157)	(\$44)	(\$1,129)	\$871	\$1,330	\$458	
Discount Rate =		8.44%										
Benefit/Cost Ratio =		0.73										

Page 10 of 1

Exhibit C
Page 2 of 5

Participants' Cost-Effectiveness Measure
Cost-Effectiveness Analysis per Rule 25-17.008 Florida Administrative Code

1	2	3	4	5	6	7	8	9	10	11	12
Year	Customer Equip Costs (\$000s)	Customer O&M Costs (\$000s)	Other Costs (\$000s)	Other Benefits (\$000s)	Change in Participants' Electric Bills (\$000s)	Tax Credits (\$000s)	Utility Paid Rebates & Incentives (\$000s)	Total Costs (\$000s)	Total Benefits (\$000s)	Total Net Benefits (\$000s)	Cumulative Discounted Net Benefits (\$000s)
2009	\$285	\$0	\$0	\$0	(\$17)	\$0	\$75	\$285	\$92	(\$193)	(\$193)
2010	\$290	\$0	\$0	\$0	(\$33)	\$0	\$75	\$290	\$108	(\$183)	(\$361)
2011	\$296	\$0	\$0	\$0	(\$54)	\$0	\$75	\$296	\$129	(\$167)	(\$504)
2012	\$0	\$0	\$0	\$0	(\$53)	\$0	\$0	\$0	\$53	\$53	(\$462)
2013	\$0	\$0	\$0	\$0	(\$53)	\$0	\$0	\$0	\$53	\$53	(\$423)
2014	\$0	\$0	\$0	\$0	(\$57)	\$0	\$0	\$0	\$57	\$57	(\$385)
2015	\$0	\$0	\$0	\$0	(\$63)	\$0	\$0	\$0	\$63	\$63	(\$347)
2016	\$0	\$0	\$0	\$0	(\$66)	\$0	\$0	\$0	\$66	\$66	(\$310)
2017	\$0	\$0	\$0	\$0	(\$66)	\$0	\$0	\$0	\$66	\$66	(\$275)
2018	\$0	\$0	\$0	\$0	(\$69)	\$0	\$0	\$0	\$69	\$69	(\$242)
2019	\$0	\$0	\$0	\$0	(\$71)	\$0	\$0	\$0	\$71	\$71	(\$210)
2020	\$0	\$0	\$0	\$0	(\$77)	\$0	\$0	\$0	\$77	\$77	(\$179)
2021	\$0	\$0	\$0	\$0	(\$77)	\$0	\$0	\$0	\$77	\$77	(\$149)
2022	\$0	\$0	\$0	\$0	(\$80)	\$0	\$0	\$0	\$80	\$80	(\$122)
2023	\$0	\$0	\$0	\$0	(\$83)	\$0	\$0	\$0	\$83	\$83	(\$95)
2024	\$0	\$0	\$0	\$0	(\$88)	\$0	\$0	\$0	\$88	\$88	(\$69)
2025	\$0	\$0	\$0	\$0	(\$90)	\$0	\$0	\$0	\$90	\$90	(\$44)
2026	\$0	\$0	\$0	\$0	(\$93)	\$0	\$0	\$0	\$93	\$93	(\$21)
2027	\$0	\$0	\$0	\$0	(\$97)	\$0	\$0	\$0	\$97	\$97	\$2
2028	\$0	\$0	\$0	\$0	(\$101)	\$0	\$0	\$0	\$101	\$101	\$24
Nominal NPV	\$871	\$0	\$0	\$0	(\$1,388)	\$0	\$225	\$871	\$1,613	\$742	
Discount Rate =		8.44%									
Benefit/Cost Ratio =		1.03									

Ratepayers' Impact Cost-Effectiveness Measure
Cost-Effectiveness Analysis per Rule 25-17.008 Florida Administrative Code

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Year	Change in Electric Supply Costs (\$000s)	Utility's Program Costs (\$000s)	Utility Paid Rebates & Incentives (\$000s)	Change in Electric Revenues (\$000)	Incremental Generation Cap Costs (\$000s)	Incremental T&D Cap Costs (\$000s)	Incremental Prog Induced Fuel Costs (\$000s)	Other Costs (\$000s)	Other Benefits (\$000s)	Total Costs (\$000s)	Total Benefits (\$000s)	Total Net Benefits to All Customers (\$000s)	Cumulative Discounted Net Benefits (\$000s)
2009	\$0.000	\$0.000	\$75.000	(\$16.988)	\$0.000	\$0.000	(\$14.643)	\$0.000	\$0.000	\$91.988	\$14.643	(\$77.344)	(\$77.344)
2010	\$0.000	\$0.000	\$75.000	(\$32.747)	\$0.000	(\$1.301)	(\$28.775)	\$0.000	\$0.000	\$107.747	\$30.076	(\$77.671)	(\$148.972)
2011	\$0.000	\$0.000	\$75.000	(\$53.649)	\$0.000	(\$1.989)	(\$42.745)	\$0.000	\$0.000	\$128.649	\$44.734	(\$83.915)	(\$220.337)
2012	\$0.000	\$0.000	\$0.000	(\$53.354)	\$0.000	(\$2.027)	(\$42.290)	\$0.000	\$0.000	\$53.354	\$44.317	(\$9.037)	(\$227.424)
2013	\$0.000	\$0.000	\$0.000	(\$53.172)	\$0.000	(\$2.065)	(\$43.906)	\$0.000	\$0.000	\$53.172	\$45.971	(\$7.201)	(\$232.632)
2014	\$0.000	\$0.000	\$0.000	(\$56.882)	(\$5.662)	(\$2.104)	(\$46.577)	\$0.000	\$0.000	\$56.882	\$54.343	(\$2.539)	(\$234.326)
2015	\$0.000	\$0.000	\$0.000	(\$62.632)	(\$9.984)	(\$2.144)	(\$47.019)	\$0.000	\$0.000	\$62.632	\$59.148	(\$3.484)	(\$236.468)
2016	\$0.000	\$0.000	\$0.000	(\$66.025)	(\$10.102)	(\$2.185)	(\$50.793)	\$0.000	\$0.000	\$66.025	\$63.080	(\$2.945)	(\$238.139)
2017	\$0.000	\$0.000	\$0.000	(\$66.407)	(\$10.222)	(\$2.227)	(\$51.909)	\$0.000	\$0.000	\$66.407	\$64.358	(\$2.049)	(\$239.211)
2018	\$0.000	\$0.000	\$0.000	(\$68.710)	(\$10.345)	(\$2.269)	(\$55.443)	\$0.000	\$0.000	\$68.710	\$68.058	(\$0.652)	(\$239.525)
2019	\$0.000	\$0.000	\$0.000	(\$71.066)	(\$10.470)	(\$2.312)	(\$59.406)	\$0.000	\$0.000	\$71.066	\$72.188	\$1.123	(\$239.026)
2020	\$0.000	\$0.000	\$0.000	(\$76.514)	(\$10.598)	(\$2.356)	(\$63.278)	\$0.000	\$0.000	\$76.514	\$76.232	(\$0.283)	(\$239.142)
2021	\$0.000	\$0.000	\$0.000	(\$77.496)	(\$10.728)	(\$2.401)	(\$64.024)	\$0.000	\$0.000	\$77.496	\$77.152	(\$0.343)	(\$239.272)
2022	\$0.000	\$0.000	\$0.000	(\$79.624)	(\$10.860)	(\$2.446)	(\$66.188)	\$0.000	\$0.000	\$79.624	\$79.494	(\$0.130)	(\$239.317)
2023	\$0.000	\$0.000	\$0.000	(\$82.970)	(\$10.995)	(\$2.493)	(\$68.927)	\$0.000	\$0.000	\$82.970	\$82.415	(\$0.556)	(\$239.496)
2024	\$0.000	\$0.000	\$0.000	(\$88.236)	(\$11.132)	(\$2.540)	(\$71.912)	\$0.000	\$0.000	\$88.236	\$85.584	(\$2.652)	(\$240.283)
2025	\$0.000	\$0.000	\$0.000	(\$89.893)	(\$11.272)	(\$2.589)	(\$73.778)	\$0.000	\$0.000	\$89.893	\$87.638	(\$2.254)	(\$240.900)
2026	\$0.000	\$0.000	\$0.000	(\$93.291)	(\$11.415)	(\$2.638)	(\$76.712)	\$0.000	\$0.000	\$93.291	\$90.764	(\$2.527)	(\$241.537)
2027	\$0.000	\$0.000	\$0.000	(\$97.079)	(\$11.560)	(\$2.688)	(\$79.247)	\$0.000	\$0.000	\$97.079	\$93.495	(\$3.584)	(\$242.371)
2028	\$0.000	\$0.000	\$0.000	(\$101.264)	(\$11.708)	(\$2.739)	(\$81.504)	\$0.000	\$0.000	\$101.264	\$95.951	(\$5.313)	(\$243.512)
Nominal			\$225.000	(\$1,387.997)	(\$157.052)	(\$43.514)	(\$1,129.075)			\$1,612.997	\$1,329.640	(\$283.356)	
NPV		\$0.000	\$207.948	(\$620.348)	(\$60.846)	(\$20.096)	(\$503.842)	\$0.000	\$0.000	\$828.295	\$584.784	(\$243.512)	
Discount Rate =		8.44%											
Benefit/Cost Ratio =		0.71											

Ratepayers' Impact Cost-Effectiveness Measure
Cost-Effectiveness Analysis per Rule 25-17.008 Florida Administrative Code

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Year	Change in Electric Supply Costs (\$000s)	Utility's Program Costs (\$000s)	Utility Paid Rebates & Incentives (\$000s)	Change in Electric Revenues (\$000)	Incremental Generation Cap Costs (\$000s)	Incremental T&D Cap Costs (\$000s)	Incremental Prog Induced Fuel Costs (\$000s)	Other Costs (\$000s)	Other Benefits (\$000s)	Total Costs (\$000s)	Total Benefits (\$000s)	Total Net Benefits to All Customers (\$000s)	Cumulative Discounted Net Benefits (\$000s)
2009	\$0.000	\$0.000	\$75.000	\$0.000	\$0.000	\$0.000	(\$14.643)	\$0.000	\$0.000	\$75.000	\$14.643	(\$60.357)	(\$60.357)
2010	\$0.000	\$0.000	\$75.000	\$0.000	\$0.000	(\$1.301)	(\$28.775)	\$0.000	\$0.000	\$75.000	\$30.076	(\$44.924)	(\$101.785)
2011	\$0.000	\$0.000	\$75.000	\$0.000	\$0.000	(\$1.989)	(\$42.745)	\$0.000	\$0.000	\$75.000	\$44.734	(\$30.266)	(\$127.525)
2012	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$2.027)	(\$42.290)	\$0.000	\$0.000	\$0.000	\$44.317	\$44.317	(\$82.768)
2013	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$2.065)	(\$43.906)	\$0.000	\$0.000	\$0.000	\$45.971	\$45.971	(\$59.519)
2014	\$0.000	\$0.000	\$0.000	\$0.000	(\$5.662)	(\$2.104)	(\$46.577)	\$0.000	\$0.000	\$0.000	\$54.343	\$54.343	(\$23.274)
2015	\$0.000	\$0.000	\$0.000	\$0.000	(\$9.984)	(\$2.144)	(\$47.019)	\$0.000	\$0.000	\$0.000	\$59.148	\$59.148	\$13.107
2016	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.102)	(\$2.185)	(\$50.793)	\$0.000	\$0.000	\$0.000	\$63.080	\$63.080	\$48.888
2017	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.222)	(\$2.227)	(\$51.909)	\$0.000	\$0.000	\$0.000	\$64.358	\$64.358	\$82.553
2018	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.345)	(\$2.269)	(\$55.443)	\$0.000	\$0.000	\$0.000	\$68.058	\$68.058	\$115.383
2019	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.470)	(\$2.312)	(\$59.406)	\$0.000	\$0.000	\$0.000	\$72.188	\$72.188	\$147.497
2020	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.598)	(\$2.356)	(\$63.278)	\$0.000	\$0.000	\$0.000	\$76.232	\$76.232	\$178.771
2021	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.728)	(\$2.401)	(\$64.024)	\$0.000	\$0.000	\$0.000	\$77.152	\$77.152	\$207.960
2022	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.860)	(\$2.446)	(\$66.188)	\$0.000	\$0.000	\$0.000	\$79.494	\$79.494	\$235.695
2023	\$0.000	\$0.000	\$0.000	\$0.000	(\$10.995)	(\$2.493)	(\$68.927)	\$0.000	\$0.000	\$0.000	\$82.415	\$82.415	\$262.211
2024	\$0.000	\$0.000	\$0.000	\$0.000	(\$11.132)	(\$2.540)	(\$71.912)	\$0.000	\$0.000	\$0.000	\$85.584	\$85.584	\$287.605
2025	\$0.000	\$0.000	\$0.000	\$0.000	(\$11.272)	(\$2.589)	(\$73.778)	\$0.000	\$0.000	\$0.000	\$87.638	\$87.638	\$311.585
2026	\$0.000	\$0.000	\$0.000	\$0.000	(\$11.415)	(\$2.638)	(\$76.712)	\$0.000	\$0.000	\$0.000	\$90.764	\$90.764	\$334.489
2027	\$0.000	\$0.000	\$0.000	\$0.000	(\$11.560)	(\$2.688)	(\$79.247)	\$0.000	\$0.000	\$0.000	\$93.495	\$93.495	\$356.245
2028	\$0.000	\$0.000	\$0.000	\$0.000	(\$11.708)	(\$2.739)	(\$81.504)	\$0.000	\$0.000	\$0.000	\$95.951	\$95.951	\$376.836
Nominal			\$225.000		(\$157.052)	(\$43.514)	(\$1,129.075)			\$225.000	\$1,329.640	\$1,104.640	
NPV		\$0.000	\$207.948	\$0.000	(\$60.846)	(\$20.096)	(\$503.842)	\$0.000	\$0.000	\$207.948	\$584.784	\$376.836	
Discount Rate =		8.44%											
Benefit/Cost Ratio =		2.81											

Page 13 of 13

Exhibit C
Page 5 of 5