

Eric Fryson

From: Darnes, Melissa Ann <MADARNES@SOUTHERNCO.COM>
Sent: Friday, February 15, 2013 3:59 PM
To: Marshall Willis
Cc: Filings@psc.state.fl.us
Subject: Gulf Power Company's report for Commercial Insurance for transmission and distribution facilities
Attachments: 2.15.13 GP letter re T & D Insurance.pdf

A. s/Robert L. McGee

Gulf Power Company

One Energy Place

Pensacola FL 32520

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B. Docket No. Undocketed

C. Gulf Power Company

D. Document consists of 2 pages.

E. The attached document is Gulf Power Company's report for Commercial Insurance for transmission and distribution facilities

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Stay connected with Gulf Power



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February 15, 2013

Mr. Marshall Willis, Director
Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Willis:

Pursuant to Rule 25-6.0143 (1) (m) F.A.C., Gulf Power Company files this report providing information concerning efforts to obtain commercial insurance for transmission and distribution (T&D) facilities and a summary of amounts recorded in Account 228.1.

1. **Status of Other Efforts to Obtain Commercial T&D Insurance** – The property insurance markets remain very restrictive, especially for Gulf of Mexico and Atlantic coastal locations. Based on discussions with property insurance brokers and underwriters, and an exploratory offering from one of the insurance brokers in November 2011, property insurance coverage for Gulf Power's T&D facilities is not available at reasonable cost and deductible levels.
2. **Summary** – Gulf Power accrued \$3,500,000 to Account 228.1 during January through December 2012. In addition, earnings on the fund reserve of \$39,821 were booked to the account. The December 31, 2012 balance was \$31,955,866.

DOCUMENT NUMBER-DATE
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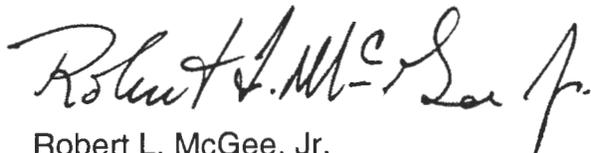
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Summary of amounts recorded in account 228.1 in 2012

	<u>Debits</u>	<u>Credits</u>
Property Insurance Reserve Accrual		\$ 3,500,000
Revenues Collected through Storm	-	
Costs Recovery Surcharge		
Earnings on the fund reserve		39,821
Hurricane Isaac	\$ 1,975,236	
Tropical Storm Debby	82,733	
Tropical Storm Lee		807
Total for 2012	<u>\$ 2,057,969</u>	<u>\$ 3,540,628</u>

Please let me know if there are questions regarding the above information.

Sincerely,



Robert L. McGee, Jr.
Regulatory and Pricing Manager

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cc.: Ms. Ann Cole, Commission Clerk
Florida Public Service Commission

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