

Shawna Senko

From: Darnes, Melissa Ann <MADARNES@SOUTHERNCO.COM>
Sent: Friday, February 14, 2014 11:46 AM
To: Marshall Willis
Cc: Filings@psc.state.fl.us
Subject: Gulf Power Company's report for Commercial Insurance for transmission and distribution facilities
Attachments: 2.14.14 GP letter re T & D Insurance.pdf

A. s/Robert L. McGee

Gulf Power Company

One Energy Place

Pensacola FL 32520

850.444.6530

rlmcgee@southernco.com

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.

Melissa Darnes

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Stay connected with Gulf Power



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February 14, 2014

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 coastal locations. Based on recent discussions with property insurance brokers and underwriters, 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 2013. In addition, earnings on the fund reserve of \$26,140 were booked to the account. The December 31, 2013 balance was \$35,380,305.

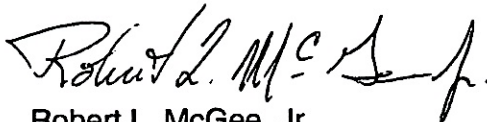
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Summary of amounts recorded in account 228.1 in 2013

	<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		26,140
Hurricane Isaac		45,997
Tropical Storm Karen	\$ 147,698	
Total for 2013	<u>\$ 147,698</u>	<u>\$ 3,572,137</u>

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

Sincerely,



Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

cc.: Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission