



Robert L. McGee, Jr.
Regulatory & Pricing Manager

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February 15, 2017

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

Dear Ms. Stauffer:

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 2016. In addition, earnings on the fund reserve of \$81,608 were booked to the account. The December 31, 2016 balance was \$40,807,735.

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Summary of amounts recorded in account 228.1 in 2016

	<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		81,608
Hurricane Patricia	\$ 256,018	
Thunderstorms & Tornados 2-15-16	281,614	
Severe Weather 2-23-16	448,229	
Tropical Storm Hermine	10,955	
Total for 2016	\$ 996,816	\$ 3,581,608

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.: Mr. Andrew Maurey, Director of Accounting and Finance
Florida Public Service Commission