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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 2017. In addition, earnings on the fund reserve of \$156,895 were booked to the account. The December 31, 2017 balance was \$41,281,170.

Summary of amounts recorded in account 228.1 in 2017

	<u>Debits</u>	<u>Credits</u>
Property Insurance Reserve Accrual		\$ 3,500,000
Revenues Collected through Storm Cost Recovery Surcharge	-	-
Earnings on the fund reserve		156,895
Minor Weather Events	\$ 285,299	
Hurricane Patricia	816,309	
Thunderstorms & Tornados		13,657
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Severe Weather	19,131	
Tropical Storm Hermine	179,312	
Hurricane Irma	200,664	
Hurricane Nate	407,060	
Property Damage Claims	1,049,586	
Total for 2017	<u>\$ 3,197,117</u>	<u>\$ 3,670,552</u>

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

Sincerely,



Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

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