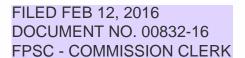
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February 12, 2016

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. <u>Summary</u> Gulf Power accrued \$3,500,004 to Account 228.1 during January through December 2015. In addition, earnings on the fund reserve of \$ 27,292 were booked to the account. The December 31, 2015 balance was \$ 38,222,943.

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Summary of amounts recorded in account 228.1 in 2015

	<u>Debits</u>	<u>Credits</u>
Property Insurance Reserve Accrual		\$ 3,500,004
Revenues Collected through Storm Costs Recovery Surcharge	-	-
Earnings on the fund reserve		27,292
Apr'15 Thunderstorm	\$ 175,329	
Hurricane Patricia	150,847	
Apr'14 Flood	728,005	
Total for 2015	\$ 1,054,181	\$ 3,527,296

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

Sincerely,

Robert L. McGee, Jr.

Regulatory and Pricing Manager

md

cc.: Mr. Andrew Maurey, Director of Accounting and Finance

Florida Public Service Commission