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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. **Summary** – 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	<u>\$ 1,054,181</u>	<u>\$ 3,527,296</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.: Mr. Andrew Maurey, Director of Accounting and Finance
Florida Public Service Commission