



February 15, 2019

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Teitzman:

Pursuant to Rule 25-6.0143 (1) (m) F.A.C., Gulf Power Company files this report providing information concerning its 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** – Post Hurricane Andrew (1992), insurance providers no longer offer physical damage coverage for the T&D system. As a result, Transmission and Distribution lines are excluded from Gulf's property insurance policy. As of the Company's last inquiry in July 2018 with other coastal utilities, there was no property insurance coverage available for Gulf Power's T&D facilities and no reasonable economic alternative.
2. **Summary** – Gulf Power accrued \$28,244,428 to Account 228.1 during January through December 2018. In addition, earnings on the fund reserve of \$444,419 were booked to the account. The December 31, 2018, balance was \$66,352,932. Charges assigned to Hurricane Michael are in an account to be cleared to Account 228.1 once all charges have been received and the work orders are closed.

Summary of amounts recorded in account 228.1 in 2018

	<u>Debits</u>	<u>Credits</u>
Property Insurance Reserve Accrual		\$ 28,244,428
Earnings on the fund reserve		444,419
Hurricane Patricia	\$ 9,182	
Thunderstorms & Tornados	8,418	
Hurricane Irma	188,420	
Hurricane Nate	1,043,357	
Tropical Storm Alberto	533,265	
Hurricane Gordon	896,030	
Property Damage Claims	938,413	
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Total for 2018	\$ 3,617,085	\$ 28,688,847

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

Sincerely,



C. Shane Boyett
Regulatory Issues Manager

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