

110000-07

Diamond Williams

From: Marchman, Vickie L. [VLMARCHM@southernco.com]
Sent: Tuesday, February 15, 2011 5:04 PM
To: Filings@psc.state.fl.us
Cc: Livingston, Robert G.; Dodd, Richard W.; Mayfield, Bambi Wilcox; Brock, Ricky E.; Ritenour, Susan D.
Subject: FW: T & D Insurance Letter
Attachments: T&D Insurance letter 2-15-11.pdf

- A. s/Susan D. Ritenour
 Gulf Power Company
 One Energy Place
 Pensacola FL 32520
 850.444.6231
Sdriteno@southernco.com
- B. Docket No. Undocketed
- C. Gulf Power Company
- D. Document consists of 1 page.
- E. The attached document is Gulf Power Company's Report regarding efforts to obtain commercial insurance for T&D and a summary of amounts recorded.

Vickie

M/S 0786
 internal 8-420-6696
 external 850-444-6696
 email: vlmarchm@southernco.com

From: Marchman, Vickie L.
Sent: Tuesday, February 15, 2011 4:01 PM
To: Marshall Willis (mwillis@psc.state.fl.us)
Subject: T & D Insurance Letter

Pursuant to Rule 25-6.0143 (1) (m) F. A. C., Gulf Power is filing the 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.

Vickie Marchman

Gulf Power Company
 One Energy Place
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 internal 8-420-6696
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DOCUMENT NUMBER-DATE

01059 FEB 16 =

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2/16/2011

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



February 15, 2011

Mr. Marshall Willis, Director
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Willis:

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 and Atlantic coastal locations, as a result of the 2004 and 2005 hurricane losses. Based on 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 of Amounts Recorded in Account 228.1 in 2010** – Gulf Power accrued \$3,500,000 to Account 228.1 during January through December. In addition, earnings on the fund reserve of \$47,229.60 were booked to the account. The balance of the account at December 31, 2010 was \$27,593,113.70.

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

Sincerely,

Susan D. Ritenour

vm

cc.: Ms. Ann Cole, Commission Clerk
Florida Public Service Commission

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Mr. Marshall Willis, Director
Division of Economic Regulation
Florida Public Service Commission
February 15, 2011
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bc: R. G. Livingston
R. W. Dodd
B. W. Mayfield
R.E. Brock
S. D. Ritenour
