

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Analysis of UTILITIES, INC.'S  
financial accounting and customer service  
computer system

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Docket No.: 120161-WS

UTILITIES, INC.'S OBJECTION TO CITIZENS' FIRST SET OF INTERROGATORIES

UTILITIES, INC. ("UI"), by and through its undersigned attorneys, files this Objection to Citizens' First Set of Interrogatories, and states as follows:

Project Phoenix

1. Regarding the Legacy computer system used by UI prior to the implementation of Project Phoenix, please state when was it placed into service, over what period the system was it used by UI, over what period the asset was depreciated, and whether the asset been retired from the general ledger.

Objection: This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

2. Please provide the following regarding Project Phoenix:
  - a. A brief overview of Project Phoenix as it exists today;
  - b. When Project Phoenix was initially conceived to replace the Legacy computer system, the intended purpose and scope of Project Phoenix;
  - c. As Project Phoenix was being developed, what changes, if any, were made to the purpose and scope;
  - d. Once Project Phoenix was completed and placed into service, whether it fulfilled and continues to fulfill its originally intended purpose and scope (all parts and subparts), and if not, why not;
  - e. Whether the Project Phoenix, in whole or in part, exceeds the originally intended purposes and scope, and if so, please explain why;
  - f. The amount of the initial contracted cost estimate when Project Phoenix was initially conceived;
  - g. The completed final contract cost for Phoenix Project upon completion;
  - h. The known or contracted capital improvements and annual recurring expenses in the original contract for Project Phoenix when it was initially conceived;

- i. The contracted capital improvements and annual recurring expenses in the contract for Project Phoenix upon completion;
- j. A breakdown of the following capitalized costs for the Project Phoenix at the time the asset was placed into service: hardware, software, capitalized contract labor, capitalized in-house labor and other identified costs.
- k. What depreciation rate UI believes is the appropriate depreciation rate for Project Phoenix for general ledger and rate setting purposes? If the response indicates that different depreciation rates should be used, please provide a statement stating why.

**Objection:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

3. Please provide the following regarding the JDE financial accounting portion of the Project Phoenix:
  - a. The date when the project was initially estimated to be completed, and the actual date it was completed and placed into service.
  - b. Whether the project has been materially modified since being placed into service and, if so, provide a description and amount of the modification, and what necessitated any modification.

**Objection as to b.:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

4. Please provide the following regarding the customer care and billing ("CCB") portion of the Project Phoenix:
  - a. The date when the project was initially estimated to be completed, and the actual date it was completed and placed into service.
  - b. Whether the project has been materially modified since being placed into service and, if so, provide a description and amount of the modification, and what necessitated any modification.

**Objection as to b.:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of

admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix'", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

5. For each year from 2007 through 2013, please provide the balance of plant in service recorded on the general ledger for the total company related to Project Phoenix broken down between hardware, software, contractual labor, and capitalized in-house labor. Also, provide the account number(s) to which all Project Phoenix costs are recorded.

Objection: This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix'", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

6. For each year from 2007 through 2013, please provide the annual balance of accumulated depreciation, and depreciation expense recorded on the general ledger for the total company related to Project Phoenix. Also provide the depreciation rate used on the general ledger.

Objection: This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix'", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

7. Since June 2008, please itemize and describe all amounts capitalized to Project Phoenix. As part of this response, please explain how or why the amounts were determined to be a capital addition instead of an annual operating expense.

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8. For each rate case completed since 2007, please provide the following:
  - a. Whether the Company adjusted its general ledger to reflect Commission ordered adjustments related to the gross amount of plant for Project Phoenix.
  - b. For each system in Florida, state whether the Company maintained a subsidiary ledger or worksheets to reflect the Commission ordered adjustments related to the gross amount of plant for Project Phoenix and included those adjustments in rate case filings or annual reports.
  - c. Whether the Company adjusted its general ledger to reflect Commission ordered adjustments related to the change in depreciation rate for Project Phoenix.
  - d. For each system in Florida, state whether the Company maintained a subsidiary ledger or worksheets to reflect the Commission ordered adjustments related to the change in depreciation rate for Project Phoenix and included those adjustments in rate case filings or annual reports.
  - e. Whether the Company adjusted its general ledger to reflect Commission ordered adjustments related to the affiliate reallocation for Project Phoenix.
  - f. For each system in Florida, state whether the Company maintained a subsidiary ledger or worksheets to reflect the Commission ordered adjustments related to the affiliate reallocation for Project Phoenix and included those adjustments in rate case filings or annual reports.

**Objection:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket. Further, until this Commission rules upon this issue, how Project Phoenix costs were accounted for is irrelevant.

9. For each rate case completed *after* the Commission's approval of the Eagle Ridge Settlement (Order No. PSC-12-0346-FOF-SU, issued July 5, 2012, in Docket No. 110153-SU) that included any costs associated with Project Phoenix, please describe the current balance of the regulatory asset, by system, as permitted by the Eagle Ridge Settlement. Please provide all calculations documentation showing how each and every amount recorded as a regulatory asset was determined.

**Objection:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

10. For each year from 2007 through 2013, please provide the total company, total Florida, and each Florida system specific ERCs used to allocate Project Phoenix on the Company's general ledger.
11. Please describe all expected capital projects or material modifications (including an estimate of those costs) that the Company expects will be made to Project Phoenix within the next two years, 5 years, and 10 years.

**Objection:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

#### Computer Expenses

12. For each year from 2006 through 2013, please provide the balance of Computer Expense (included in Accounts 5735 – Computer Maintenance and 5740 – Computer Supplies) on a total company basis.

**Objection:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

13. Please provide a list of all cost savings related to financial accounting and customer billing that have been implemented since Project Phoenix was placed in service as it relates to annual Computer Expenses, and how much of those cost savings directly resulted from Project Phoenix.

**Objection:** This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

14. Please provide an explanation and comparison of the types and amounts of costs included in Accounts 5735 – Computer Maintenance and 5740 – Computer Supplies for 2007 (prior to the year Project Phoenix was placed in service), for 2008 (the first full year of project Phoenix implementation), and for the most recent year 2013.


Objection: This Interrogatory requests information beyond the scope of this docket and thus is irrelevant, immaterial and not calculated to lead to the discovery of admissible evidence. This docket was opened pursuant to UI's Petition For Establishment of Generic Docket "to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service system referred to as 'Project Phoenix' ", and the request for relief was limited to addressing "the impact of divested systems on the Project Phoenix costs." The requested information goes beyond the scope of the Docket.

15. For 2013, please provide a breakdown of each type of cost included in Computer Expense (included in Accounts 5735 – Computer Maintenance and 5740 – Computer Supplies), an explanation of why the cost was incurred, and whether any in-house labor charges are allocated to these accounts.

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Respectfully submitted this 14<sup>th</sup> day of  
February, 2014, by:

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For the Firm

**CERTIFICATE OF SERVICE**  
**DOCKET NO. 130161-WS**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail and E-Mail to the following parties this 14<sup>th</sup> day of February, 2014:

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