

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 7, 2016

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Devlin Higgins, Public Utility Analyst IV, Division of Economics

RE: Docket No. 160174-GU, Request for approval of 2016 depreciation study by Sebring Gas Systems, Inc.

Would you be so kind as to add the attached document, titled "Sebring's Response to Staff's Report," to the above referenced docket file. I appreciate it, thank you.

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COMMISSION
CLERK



Brimmer, Burek & Keelan LLP

Certified Public Accountants

5601 Mariner Street, Suite 200 • Tampa, Florida 33609
(813) 282-3400 • Fax (813) 287-8369

Brian B. Burek, CPA
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November 2, 2016

To: Devlin Higgins
Public Utilities Analyst
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Members of:
Center for Audit Quality

American Institute of
Certified Public Accountants

Re: Response to 2016 Depreciation Study Staff Report, Docket no. 160174-EI

Florida Institute of Certified
Public Accountants

Dear Mr. Higgins:

Please see the responses to the staff's inquiries on Docket no. 16074-EI below. We are emailing the electronic version to Devlin Higgins and will mail the hard copy today.

Should you have any questions, or need further information, please do not hesitate to contact Cong Nguyen at 813-282-3400.

Sincerely,

Cong Nguyen, CPA
Brimmer, Burek and Keelan LLP

cc: Jerry Melendy, Sebring Gas Systems, Inc.

Sebring Gas Systems 2016 Depreciation Study Response, Docket no. 160174-EI

- 1) The Company is in agreement with the staff's allocation of account 399
- 2) The Company is in agreement with the staff's proposed transfers of the reserve in account 392
- 3) The Company is in agreement with the staff's proposed adjustment to account 392.1
- 4) The Company is in agreement with the staff's proposed adjustment to account 397 to reduce projected reserve at the end of 2016 to \$4,170
- 5) The Company previously has been booking retired property at estimated accumulated depreciation based on the service period. The Company intends to book the cost of the unit retired and credited to gas plant shall be charged to the full accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.
- 6) The Company is agreement with the staff's preliminary positions on the 2016 Depreciation Study