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**FPUC's Responses to Staff's Third Set of
Interrogatories Nos. 23-27**

INTERROGATORIES

23. Please refer to FPUC witness Lee's Direct Testimony, Exhibit PSL-2, FPUC's "2023 Consolidated Depreciation Study," Page 48 of 93 and FPUC's "2019 Consolidated Depreciation Study," Exhibit G 2018 54/86, filed March 4, 2019. Please provide a reconciliation for the 2018 Ending Balances for the plant and reserve variances shown in Table 1 and 2 below:

Table 1: Variances in plant amounts of the 2018 ending balances

Plant Accounts			
	Reported in 2018 Dep. Study	Reported in 2023 Dep. Study	
Acct. No.	2018 End. Bal.	2023 End. Bal.	Variance
3910	\$1,610,051	\$1,587,323	\$22,728
3912	\$2,073,428	\$1,360,659	\$712,769
3913	\$978,765	\$1,353,826	(\$375,061)
3914	\$7,458,718	\$7,819,155	(\$360,437)
3970	\$2,439,077	\$2,418,952	\$20,125

Table 2: Variances in reserve amounts of the 2018 ending balances

Reserve Accounts			
	Reported in 2018 Dep. Study	Reported in 2023 Dep. Study	
Acct. No.	2018 End. Bal.	2018 End. Bal.	Variance
3900	\$546,089	\$491,419	\$54,670
3912	\$260,525	\$283,007	(\$22,482)
3913	\$456,646	\$434,164	\$22,482
3921	\$21,976	\$75,468	(\$53,492)
3922	\$2,058,882	\$2,005,385	\$53,497
3970	\$1,226,760	\$1,224,912	\$1,848

Company Response:

The Company objects that portions of this request are vague, specifically that the term "reconciliation" is vague. FPUC has made a good-faith and reasonable attempt to ascertain the meaning of such request and provide a response based on such attempt, but FPUC responds without

waiving its objection to the vagueness of the request. The variance identified in Tables 1 and 2 above are due to the following:

- Account 391X: As witness Lee explained on pages 25 and 26 of Exhibit PSL-2 Narrative and page 16 of her Direct Testimony, after the last depreciation study, it was discovered that all of the consolidated companies were not using the FPUC's Uniform System of Accounts ("USOA") approved in Order No. PSC-2019-0433-PAA-GU. This resulted in a mismatch of investment and reserve for each affected account. All companies are now using the Chesapeake's USOA and the account investments shown in the 2023 study reflect the corrected amounts.
- Account 390.0: The \$54,670 variance is due to recording a correcting entry in Account 380.1 that was intended for Account 390.0.
- 392X: The variances net to zero and are the result of reclassifying vehicles into the appropriate subaccount for the study.
- Account 3970: \$20,125 for Automatic meter reading (AMR) remote monitoring devices and equipment and the associated reserve balance of \$1,848 were erroneously reported in Account 3970 - Communication Equip. in the last Depreciation Study. AMR investments and reserves were reclassified to Account 381.1 - Meters - AMR Equipment in the 2023 Study in accordance with the agreement reached by the Company and the PSC in CFG's last rate case.¹

Respondent: Pat Lee

¹ Order No. PSC-10-0029-PAA-GU, issued January 14, 2010, in Docket No. 090125-GU, In re: Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation.

Interrogatory No. 24

24. Please refer to FPUC witness Lee's Direct Testimony, Exhibit PSL-2, Pages 52, 54, and 56 of 93, and FPUC's 2019, 2020, and 2021 Annual Depreciation Status Reports (ADSR). Please provide an explanation for the discrepancies between FPUC's 2023 Depreciation Study "ADSR Reported" Column amounts (as relates to retirements, accruals, adjustments, etc.) and the corresponding annual ADSR amounts as shown in Tables 3-5 below.

Table 3: 2019 ADSR Discrepancies

Exhibit PSL-2					
Schedule	Schedule	Column	Account	ADSR Reported	2019 ADSR
Sch. G 2019	Reserves	Retirements	3913	(\$449,409)	\$0
Sch. G 2019	Reserves	Accruals	3910	\$131,928	(\$56,566)
Sch. G 2019	Reserves	Adjustments	3910	\$625,343	\$104,611
Sch. G 2019	Reserves	Accruals	3912	\$85,862	(\$131,928)
Sch. G 2019	Reserves	Adjustments	3912	(\$151,500)	(\$625,343)
Sch. G 2019	Reserves	Accruals	3913	\$56,566	(\$85,862)
Sch. G 2019	Reserves	Adjustments	3913	(\$104,611)	\$151,500

Table 3: 2020 ADSR Discrepancies

Exhibit PSL-2					
Schedule	Schedule	Column	Account	ADSR Reported	2020 ADSR
Sch. G 2020	Plant In Service	Additions	3910	\$106,003	\$5,215
Sch. G 2020	Plant In Service	Additions	3913	\$5,215	\$165
Sch. G 2020	Reserves	Beginning Balance	3913	(\$44,077)	(\$228,685)
Sch. G 2020	Reserves	Adjustments	3910	\$117,964	\$0
Sch. G 2020	Reserves	Transfers	3910	\$44,022	\$104,546
Sch. G 2020	Reserves	Adjustments	3912	\$1,819	(\$117,964)
Sch. G 2020	Reserves	Transfers	3912	\$189,194	\$44,022
Sch. G 2020	Reserves	Adjustments	3913	\$0	(\$1,819)
Sch. G 2020	Reserves	Transfers	3913	\$104,546	\$189,194

Table 3: 2021 ADSR Discrepancies

Exhibit PSL-2					
Schedule	Schedule	Column	Account	ADSR Reported	2021 ADSR
Sch. G 2021	Plant In Service	Beginning Balance	3914	\$6,636,948	\$8,279,821
Sch. G 2021	Plant In Service	Additions	3914	\$123,494	\$902,229
Sch. G 2021	Reserves	Beginning Balance	3914	\$1,841,837	(\$2,309,810)
Sch. G 2021	Reserves	Accruals	3914	\$667,947	(\$1,345,519)
Sch. G 2021	Reserves	Beginning Balance	3900	\$732,146	(\$1,926,133)
Sch. G 2021	Reserves	Beginning Balance	3913	(\$170,112)	(\$866,752)
Sch. G 2021	Reserves	Accruals	3910	\$127,367	(\$50,003)
Sch. G 2021	Reserves	Accruals	3912	\$36,891	(\$253,268)
Sch. G 2021	Reserves	Accruals	3913	\$30,851	(\$907,912)
Sch. G 2021	Reserves	Accruals	3970	\$206,938	(\$332,241)

Company Response:

The differences in account balances are due to the following:

- Tables 3 - 2019 and 2020: There are no actual discrepancies between the annual ADSR amounts shown in the tables above and Sch. G 2019 – Notes and Sch. G 2020 – Notes of Exhibit PSL-2, but rather the balances have been remapped to have all accounts in agreement with one USOA. As witness Lee explained on pages 25 and 26 of Exhibit PSL-2 Narrative and page 16 of her Direct Testimony, after the last depreciation study, it was discovered that all of the consolidated companies were not using the FPUC’s Uniform System of Accounts (“USOA”) approved in Order No. PSC-2019-0433-PAA-GU. This resulted in a mismatch of investment and reserve for each affected account. All companies are now using Chesapeake’s USOA and the Sch. G-2019 – Notes and Sch. 2020 - Notes of Exhibit PSL-2 properly reflect the accounts stated above. The schedule below maps the

Chesapeake USOA used in the 2023 depreciation study to the FPUC USOA using the account description for accounts 3910 through 3913.

Map of New Account Numbers for FERC Accounts 391X

Account Title	Adopted Chesapeake USOA	FPUC USOA Per Order No. PSC-2019-0433-PAA-GU Account Number
Office Equipment	3910	3912
Computer Hardware	3912	3913
Office Furniture	3913	3910

- Table 3 - 2021: The difference between the 2021 ADSR balances filed and those reported in Exhibit PSL-2 are the exclusion of Chesapeake Corporate balances from the study.

Respondent: Pat Lee

Interrogatory No. 25

25. Please refer to FPUC witness Lee's Direct Testimony, Exhibit PSL-2, Page 29 of 93, Schedule B, and Page 30 of 93, Schedule C. The Company Proposed amortization periods for accounts 391, 391.2, and 391.3 on Schedule B do not match those reflected on Schedule C. Please specify what the correct amortization periods are for these accounts.

Company Response:

Sch. B does not reflect the correct amortization periods. The correct amortization period and rates for these accounts are listed below. Sch. C correctly reflects the rates shown below.

Amortization Period and Rates for Accounts 3910-3913

Account Number	Account Title	Amortization Period	Amortization Rate
3910	Office Equipment	14 Year Amortization	7.1% (100%/14 Yrs.)
3912	Computer Hardware	10 Year Amortization	10.0% (100%/10 Yrs.)
3913	Office Furniture	20 Year Amortization	5.0% (100%/20 Yrs.)

Respondent: Pat Lee

Interrogatory No. 26

26. Please refer to FPUC's response to Citizen's First Request for PODs, No. 6, attachment "OPC POD 6 Item 1. Exhibit PSL-2_(FPUC-Rate 0027632-0027699)(15675842.1).xlsx" (Exhibit PSL-2 Workbook), and Order No. PSC-2019-0433-PAA-GU issued October 22, 2019, Page 14.
- a. Referring to Tab Sch. C, Cell F35, please explain why the 7.1 percent rate does not match the Commission-approved rate of 5.0 percent.
 - b. Referring to Tab Sch. C, Cell F36, please explain why the 10.0 percent rate does not match the Commission-approved rate of 7.1 percent.
 - c. Referring to Tab Sch. C, Cell F37, please explain why the 5.0 percent rate does not match the Commission-approved 10.0 percent rate.

Company Response:

As witness Lee explained on pages 25 and 26 of Exhibit PSL-2 Narrative and page 16 of her Direct Testimony, after the last depreciation study, it was discovered that all of the consolidated companies were not using the FPUC's USOA approved in Order No. PSC-2019-0433-PAA-GU. To correct this issue, all the consolidated companies have since adopted the Chesapeake USOA shown below.

Map of Newly Adopted Account Numbers to Ordered Rates

Account Title	Adopted Chesapeake USOA	Per Order No. PSC-2019-0433-PAA-GU	
		Depreciation Rate (%)	Account Number
Office Equipment	3910	7.1	3912
Computer Hardware	3912	10.0	3913
Office Furniture	3913	5.0	3910

- a. Account 3910 no longer reflects a depreciation rate of 5.0% because the account is now utilized for Office Equipment by all divisions. The Commission approved amortization rate for Office Equipment is 7.1%.
- b. Account 3912 no longer reflects a depreciation rate of 7.1% because the account is now utilized for Computer Hardware by all divisions. The Commission approved amortization rate for Computer Hardware is 10.0%.
- c. Account 3913 no longer reflects a depreciation rate of 10% because the account is now utilized for Office Furniture by all divisions. The Commission approved amortization rate for Office Furniture is 5.0%.

Respondent: Pat Lee

Interrogatory No. 27

27. Please refer to FPUC's responses to Citizen's First Request for PODs, No. 6, attachment "OPC POD 6 Item 1. Exhibit PSL-2_(FPUC-Rate 0027632-0027699)(15675842.1).xlsx" (Exhibit PSL-2 Workbook), Tab Sch. C, Cells H35-37. Given FPUC's response to the previous interrogatory, does FPUC still propose the following depreciation rates:
- a. Account 3910 – 7.1 percent
 - b. Account 3912 – 10.0 percent
 - c. Account 3913 – 5.0 percent

Company Response:

Yes. Please see response 26 above.

Respondent: Pat Lee

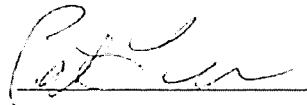
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida) Docket No. 20220067-GU
Public Utilities Company, Florida Division of)
Chesapeake Utilities Corporation, Florida)
Public Utilities Company - Fort Meade, and)
Florida Public Utilities Company - Indiantown) Filed: 8/23/2022
Division.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to STAFF'S THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Numbers 23-27, in Docket No. 20220067-GU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Pat Lee, Declarant

Dated: 8/12/2022