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Public Service Commission

August 28, 2020

Beth Keating
215 South Monroe Street, Suite 601
Tallahassee Florida, 32301
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STAFF'S FIRST DATA REQUEST

via e-mail

RE: Docket No. 20200191-GU - Petition for approval of amortization rate for Starnik customer information system and other software accounting adjustments, by Florida City Gas.

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida City Gas (FCG) provide responses to the following data requests:

1. Is Florida City Gas (FCG) currently recording any depreciation associated with its Starnik CIS software?
 - a. If the response to Request No. 1 is affirmative, is the company requesting any plant in service and accumulated depreciation transfers be performed as part of this docket?
 - b. If the response to Request No. 1(a) is affirmative, please identify any accounting entries or adjustments that may be necessary. Additionally, please specify: amounts to be transferred, accounts in which the property/balances are currently being depreciated, and accounts to which the property/balances are being transferred.
2. Has FCG estimated the total capital cost associated with the Starnik CIS software? If so, please specify.
3. Please refer to paragraph (9) of FCG's Petition for Approval of Amortization Rate for Starnik Customer Information System and Other Software Accounting Adjustments (Petition). The Petition states:

In June 2020, FCG replaced CC&B with Starnik CIS, which provides FCG with increased customer information system functionalities. Specifically, Starnik CIS provides an integrated, state-of-the-art billing system and customer platform that will enhance FCG customers' digital experience, and, in addition, Starnik CIS will tie into FCG's field operations software to offer the Company increased customer support capabilities.

- a. Please explain in detail what is meant by "increased customer information system functionalities."
 - b. Please describe in detail how the software will "enhance FCG customers' digital experience," and "offer the Company increased customer support capabilities."
4. Please refer to paragraphs (10) and (11) of the Petition. FCG proposes, on a going-forward basis, to use FERC account 303 (Miscellaneous Intangible Plant) to record any future capitalized software, including both traditional and software-as-a-service (SaaS) arrangements. FCG is requesting to create a separate subaccount in Account 303 for SaaS arrangements such as the Starnik CIS. However, FCG did not request to create a separate subaccount for future traditional assets.
- a. Assuming FCG's petition is approved, please elaborate on whether further acquisitions of traditional assets will be recorded in Account 303, rather than a separate 303 subaccount. If they will, what is the name and number, and proposed depreciation rate for the new subaccount?
 - b. Does FCG propose to transfer any existing capitalized software from Account 391.1 or 391.11 to Account 303 or any related subaccount? If so, please identify such transfers, if any (account/subaccount to account/subaccount)
 - c. What is the subaccount name and number FCG is proposing for Starnik CIS, or SaaS assets, as referenced in the Company's Petition at Paragraph 11?
5. Will the Starnik CIS software carry a warranty/service contract?
- a. If so, please specify or approximate the typical warranty/service contract period.
 - b. What protections are in place for FCG's customers if the warranty/service contract period is less than the estimated design life of twenty years?

Please file all responses electronically no later than September 28, 2020 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6198 if you have any questions.

Sincerely,

/s/ Shaw Stiller

Shaw Stiller
Senior Attorney

SPS/lms

cc: Office of Commission Clerk
Kurt Howard, Florida City Gas