



October 23, 2020

**VIA E-PORTAL**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

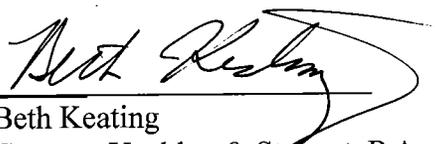
**In re: Docket 20200191-GU -- Petition for approval of amortization rate for Starnik customer information system and other software accounting adjustments, by Florida City Gas.**

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Responses to Staff's Second Data Requests in the referenced docket.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions or concerns.

Sincerely,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

MEK

Cc:// Office of Public Counsel (Kelly, Christensen)

QUESTION:

Please refer to paragraphs (6), (7), and (17) of FCG's Petition for Approval of Amortization Rate for Starnik Customer Information System and Other Software Accounting Adjustments (Petition). Please also refer to FCG's response to Staff's First Data Requests, Request No. 1. Given the fact that the Starnik software was placed into service in June 2020, and the Petition was filed on August 6, 2020, please respond to the following:

- a. What depreciation rate is the company requesting to use to calculate depreciation expense for the months of June and July 2020 and August 1-5, 2020?
- b. Assuming the Commission approves FCG's Petition, please provide all accounting entries for the months of June through December 2020.

RESPONSE:

- a. FCG is using the current 8.3% depreciation rate (12-year depreciable life) for the months of June and July 2020. Beginning August 1, 2020, FCG is requesting to use a 5.0% depreciation rate (20-year depreciable life).
- b. Please see Attachment 1 of this request for proposed accounting entries for the months of June through December 2020.

Florida City Gas Company  
Docket No. 20200191 - GU  
Staff's Second Data Request  
Request No. 1  
Tab 1 of 1  
Attachment 1 of 1

Florida City Gas  
Starnik CIS  
Proposed Journal Entries

June - December 2020  
\$ in Thousands

Line No.	Entry No.	FERC Account	Entry Description	Debit	Credit
1	1.	106	Completed construction not classified	\$ 5,158.4 <sup>(1)</sup>	
2		107	Construction work in progress		\$ 5,158.4 <sup>(1)</sup>
3			<i>Purpose: To clear account 107, Construction work in progress, and transfer balance upon project's in-service date</i>		
4					
5	2.	101	Gas plant in service	\$ 5,158.4	
6		106	Completed construction not classified		\$ 5,158.4
7			<i>Purpose: To clear account 106, Completed construction not classified, and transfer balance to plant in service upon unitization</i>		
8					
9	3.	404.3	Amortization of other limited-term gas plant	\$ 88.3	
10		111	Accumulated provision for amortization and depletion of gas utility plant		\$ 88.3
11			<i>Purpose: To record amortization expense for June - August 2020 at 8.3% depreciation rate (12-year depreciable life)</i>		
12					
13	4.	404.3	Amortization of other limited-term gas plant	\$ 35.6	
14		111	Accumulated provision for amortization and depletion of gas utility plant		\$ 35.6
15			<i>Purpose: To record monthly amortization expense subsequent to August 2020 and prior to Commission approval at 8.3% depreciation rate (12-year depreciable life)</i>		
16					
17					
18	5.	303.20 <sup>(2)</sup>	Miscellaneous intangible plant	\$ 5,158.4	
19		391.11	Office furniture and equipment		\$ 5,158.4
20			<i>Purpose: To transfer project cost from FERC account 391 to 303 upon Commission approval</i>		
21					
22	6.	111	Accumulated provision for amortization and depletion of gas utility plant	\$ XXX <sup>(3)</sup>	
23		404.3	Amortization of other limited-term gas plant		\$ XXX <sup>(3)</sup>
24			<i>Purpose: To adjust amortization expense from a 12-year depreciable life to a 20-year depreciable life for the period beginning August 1, 2020, until Commission approval</i>		
25					
26					
27	7.	404.3	Amortization of other limited-term gas plant	\$ 21.5	
28		111	Accumulated provision for amortization and depletion of gas utility plant		\$ 21.5
29			<i>Purpose: To record monthly amortization expense at 5.0% depreciation rate (20-year depreciable life) upon Commission approval</i>		
30					

Notes:

1) Final project cost may change as cost finalization is still ongoing

2) Please refer to Staff's First Data Request No. 4 for list of proposed subaccounts

3) Estimated as a \$14.1 thousand difference per month in amortization expense when moving from a 12-year to a 20-year depreciable life.