

STATE OF FLORIDA

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Public Service Commission

July 28, 2022

Beth Keating, Esq.
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Tallahassee, FL 32301
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STAFF'S FIRST DATA REQUEST
VIA E-MAIL

RE: Docket No. 20220128-PU – Joint petition requesting approval to establish regulatory assets, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, and Florida Division of Chesapeake Utilities Corporation (FPUC) provide responses to the following data requests:

1. Please refer to paragraph (6) of FPUC's Joint Petition Requesting Approval to Establish Regulatory Assets (Petition). Florida Public Utilities Company (FPUC) states that its current Customer Information System – ECIS – which has been utilized in Florida for over 20 years, is now fully depreciated. Please identify the following:
 - a. The FERC plant account (e.g. 391) or accounts in which FPUC's ECIS investments are currently being recorded.
 - b. The authorized service life or lives associated with the ECIS, currently and since the in-service date of the asset.
 - c. Please provide an annualized history of the amortization of ECIS for FPUC-Gas and FPUC-Electric.
 - d. Does FPUC have any history of allocating any portion of ECIS implementation costs, as described in Paragraph 9 of the Petition, to a regulatory asset? Please explain.

- e. If Customer Information Systems (CIS) other than ECIS are serving some portion of FPUC-Gas and/or FPUC-Electric customers, please identify the associated Company, the number of customers, the name of the CIS, and the FERC account used for recording the costs, and the history of such amortizations.
 - f. On page five, paragraph 10 of the petition, the duties performed prior to the implementation of the new unified CIS are: 1) gathering and validating business requirements, 2) vendor review and selection, 3) data cleansing and preparation, and 4) process documentation. Were some or all of these duties performed prior to the implementation of ECIS and were the costs associated with such duties for ECIS capitalized to plant?
2. Is it FPUC's general accounting practice to remove amortizable assets from the Company's books and records once they are fully depreciated? Please explain.
3. Based on the response to Question No. 1.a, is the FERC account(s) and associated service life/lives the same as what FPUC intends to use to record the CIS investments contemplated in this Petition?
4. If the response to Question No. 3 is negative, please identify FPUC's anticipated FERC account(s) and the associated service life for the CIS investments contemplated in this Petition.
5. Please provide a cost breakdown of FPUC's portion of the non-capitalizable estimate of \$9.5 million associated with the implementation of its "modern, unified CIS solution."
6. Referring to paragraph (7) of FPUC's Petition.
 - a. Please provide a breakdown of Chesapeake Utilities Corporation's (CUC) CIS cost allocation proposal for its Florida, Maryland, and Delaware business units.
 - b. Approximately how many customers are served, and how many bills are issued (monthly) by CUC in Maryland?
 - c. For the Florida companies, please explain how CUC contemplates allocating the CIS cost between the electric and gas companies, and any allocation within those companies.
7. Based on staff's review of 25-6, 25-7, and 25-14, Florida Administrative Code Rules, there are no rule requirements to follow Accounting Standards Codification (ASC) 350-40. Please identify whether there is a Commission rule that requires regulated electric and gas utilities to follow the capitalization guidelines in ASC 350-40?

8. Is there any prohibition set forth in Title 18 of the Code of Federal Regulations parts 101 and 201 from capitalizing to plant the duties reflected on page five, paragraph 10 of your petition?
9. Please identify whether there is any Commission order that requires jurisdictional electric or gas utilities to specifically follow the capitalization guidelines set forth in ASC 350-40?
10. If there are no Commission rules or orders requiring electric and gas utilities to comply with ASC 350-40 and no prohibition by the FERC electric and gas Uniform System of Accounts to capitalize to plant the duties reflected in paragraph 10 of your petition, please explain why there would be a need to establish regulatory assets?

Please file all responses electronically no later than the close of business on Thursday, August 11, 2022 via 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) 413-6228 if you have any questions.

Sincerely,

/s/ Jennifer Crawford
Jennifer Crawford
Senior Attorney

JSC/ds

cc: Office of Commission Clerk