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# Public Service Commission

August 23, 2022

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**STAFF'S SECOND 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. Would a Commission order stating, "The cost associated with the duties listed in paragraph 10 of the petition should be capitalized" be sufficient to satisfy GAAP and Chesapeake's capitalization guideline concerns?
2. According to paragraph seven of the petition, the "non-capitalizable" implementation costs of the new CIS is \$9.5 million, and the capitalizable implementation costs of the new CIS is \$30.5. If the Commission were to approve the petition and allow FPUC to establish a regulatory asset, would the amortization of the \$9.5 million and the depreciation of the capitalized \$30.5 million both begin on January 1, 2025? If not, please explain in detail.
3. The Federal Energy Regulatory Commission issued a Notice of Proposed Rulemaking that, in pertinent part, would modify its Uniform System of Accounts by creating new accounts for computer hardware, software and communication equipment. If this results in new accounts that are effective prior to January 1, 2025, what potential impacts would this have on how FPUC accounts for the new CIS?

4. In the Utility's response to Question 7 of Staff's First Data Request, it stated that "FPUC is required to follow Accounting Standards Codification 980, Regulated Operations, ('ASC 980') for the treatment of certain costs as prescribed by the regulator." Based on Staff's review of Commission's rules, there are no rules that specifically require jurisdictional electric or gas IOUs to follow ASC 980. Staff notes that Provision (2) of Rule 25-14.012, Accounting for Postretirement Benefits Other Than Pensions, does state, in pertinent part, the following: ". . . Deferral accounting under Statement of Financial Accounting Standards No. 71 (Accounting for the Effects of Certain Types of Regulation, December 1982 shall not be used to account for the costs of post retirement benefits other than pensions without prior Commission approval." Staff recognizes that SFAF 71 is the predecessor accounting standard for ASC 980; however, this rule addresses postretirement benefits other than pensions not costs associated with a customer information system investment. Please identify whether there is a Commission rule that requires regulated electric and gas utilities to follow ASC 980.

Please file all responses electronically no later than the close of business on Tuesday, September 6, 2022 via the Commission's website at [www.floridapsc.com](http://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