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June 10, 2014

E-Portal

Ms. Carlotta Stauffer, Clerk
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 140051-GU - 2014 depreciation study by Florida City Gas.

Dear Ms. Stauffer:

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

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



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MEK
(Office of Public Counsel)

Florida City Gas 2014 Depreciation Study – Docket No. 140051-GU
RESPONSES TO STAFF’S THIRD SET OF DATA REQUESTS – CONFERENCE CALL

CC-01-01: Please provide a Reconciliation of Annual (2009-2013) Depreciation Study support to Annual Report for both Plant and Reserve for beginning and ending balances.

COMPANY RESPONSE:

Please refer to Attachment CC-01-01-A for the reconciliation of Annual (2009 – 2013) Depreciation Study support to Annual Report for both Plant and Reserve for beginning and ending balances.

CC-01-02: Please provide reconciliation of 2013 Transactional Activity (Depreciation Study support to Annual Report).

COMPANY RESPONSE:

Please refer to Attachment CC-01-02-A for the reconciliation of Transactional Activity (Depreciation Study support to Annual Report).

CC-01-03: Please provide General Explanation of PowerPlant Conversion from PeopleSoft to PowerPlant for sample of utility account.

COMPANY RESPONSE:

Please refer to Attachment CC-01-03-A for General Explanation of PowerPlant Conversion from PeopleSoft to PowerPlant for sample of utility account.

CC-01-04: Please provide an overview of PowerPlant system and benefits.

COMPANY RESPONSE:

PowerPlant provides Project Management and Asset Management systems for asset intensive companies and is used by over 75% of companies in the electric and gas industry. The benefits of this new system includes: added functionality for asset management-efficiency gains, regulatory and SOX Compliance.

This new system will be used to create and retire assets, calculated depreciation, AFUDC and capitalized interest. Capital project related transactions will still process in PeopleSoft Project Costing, but once placed into service, they will move to the PowerPlant Project Management module to utilize additional functionality. Some of the increased functionality includes: timely recognition of asset unitization and depreciation expense, suspension of AFUDC and capitalized interest on idle projects, derived cost of removal costs and reporting, potential earlier and fuller reporting of retirements and retroactive depreciation rate implementation. In addition, the reporting will be enhanced to support depreciation studies, rate cases and FERC reporting.

According to PowerPlan's website (<http://powerplan.com>), there are other companies in Florida that are currently using the PowerPlan system, such as Duke Energy, FPL, Southern Company (Gulf Power Company) and NRG Energy.

Description	2009 Beginning Balance	2009 Annual Report Beginning	Difference		2009 Ending Balance	2009 Annual Report Ending	Difference	2010 Ending Balance	2010 Annual Report Ending	Difference
TOTAL Regulated Depreciable Plant DR3	230,985,558	230,624,468	361,090		245,918,113	245,121,267	796,846	255,901,314	254,885,408	1,015,906
Non-Depreciable Items non included in Study										
374 Land - Distribution	83,569	81,369	2,200	(1)	83,569	81,369	2,200	83,569	81,369	2,200
389 Land - General	335,772	333,111	2,661	(1)	335,772	333,111	2,661	335,772	333,111	2,661
302 Franchises and Consents	325,164	325,165	(1)	(1)	325,164	325,165	(1)	325,164	325,165	(1)
303 Misc. Intangible Plant	25,522	27,722	(2,200)	(1)	25,522	27,722	(2,200)	25,522	27,722	(2,200)
399 Misc. Intangible Property		38,828	(38,828)	(1)		38,828	(38,828)		38,828	(38,828)
Reconciliation Items										
CIAC Included in Status Report (2)	-	-	-	(2)	(760,678)		(760,678)	(979,739)		(979,739)
CIAC Not Reflected in 2008 Depr. Study	(397,616)		(397,616)							
GL Recon. Item Included in Status Rpt. Not in 2008 Depr. Study	36,529		36,529							
	231,394,498	231,430,663	(36,165)		245,927,462	245,927,462	(0)	255,691,602	255,691,603	(1)
(3) Pro Forma Adjustments (2013)	-	-	-		-	-	-	-	-	-
	231,394,498	231,430,663	(36,165)		245,927,462	245,927,462	(0)	255,691,602	255,691,603	(1)

(1) Differences in non-depreciable accounts.

(2) CIAC Included in power plant in 2013 conversion.

Description	2011 Ending Balance	2011 Annual Report Ending	Difference	2012 Ending Balance	2012 Annual Report Ending	Difference	2013 Ending Balance	2013 Annual Report Ending	Difference
TOTAL Regulated Depreciable Plant DR3	268,309,517	266,957,883	1,351,634	276,718,674	275,297,200	1,421,474	295,708,548	293,754,469	1,954,079
Non-Depreciable Items non included in Study									
374 Land - Distribution	83,569	83,569	-	83,569	83,569	-	353,577	353,577	-
389 Land - General	335,772	335,772	-	341,050	341,050	-	385,501	385,501	-
302 Franchises and Consents	325,164	325,164	-	325,164	325,164	-	325,164	325,164	-
303 Misc. Intangible Plant	25,522	25,522	-	25,522	25,522	-	25,522	25,522	-
399 Misc. Intangible Property		197,352	(197,352)		197,352	(197,352)	-	-	-
Reconciliation Items									
CIAC Included in Status Report (2)	(1,154,283)		(1,154,283)	(1,224,123)		(1,224,123)			-
CIAC Not Reflected in 2008 Depr. Study									
GL Recon. Item Included in Status Rpt. Not in 2008 Depr. Study									
	267,925,261	267,925,262	(1)	276,269,856	276,269,857	(1)	296,798,312	294,844,233	1,954,079
(3) Pro Forma Adjustments (2013)	-	-	-	-	-	-	(1,954,079)	(1,954,079)	(3)
	267,925,261	267,925,262	(1)	276,269,856	276,269,857	(1)	294,844,233	294,844,233	-

(1) Differences in non-depreciable accounts.

(2) CIAC Included in power plant in 2013 conversion.

(3) Proforma adjustments per study filing.
See pro forma recon tab

Description	2009 Beginning Balance	2009 Annual Report Beginning	Difference	2009 Ending Balance	2009 Annual Report Balance	Difference	2010 Ending Balance	2010 Annual Report Balance	Difference
TOTAL Regulated Depreciable Reserves DR3	114,344,706	114,712,820	(368,114)	117,890,002	117,866,265	23,737	121,006,666	121,063,597	(56,931)
Non-Depreciable Items non included in Study									
302 Franchises and Consents	138,114	138,114	-	148,560	147,871	689	156,565	157,627	(1,062)
303 Misc. Intangible Plant	22,325	22,325	-	21,251	23,358	(2,107)	21,251	24,393	(3,142)
389 Land - General	-	-	-	(184)	-	(184)	(184)	37,696	(37,880)
399 Misc. Intangible Property	5,999	5,999	-	-	6,782	(6,782)	-	7,564	(7,564)
Reconciliation Items									
GL Account 100231 Reserve for Amort. Adjustment				(15,353)		(15,353)	(14,255)		(14,255)
Depreciation Adj. in 2010 Annual Report								(120,834)	120,834
	114,511,144	114,879,258	(368,114) (1)	118,044,276	118,044,276	0	121,170,043	121,170,043	0

(1) Reconciliation amount from 2008 depreciation study.

(2) Balance of Account 100231 Reserve for Amort Adjustment.

Description	2011 Ending Balance	2011 Annual Report Balance	Difference	2012 Ending Balance	2012 Annual Report Balance	Difference	2013 Ending Balance	2013 Annual Report Balance	Difference
TOTAL Regulated Depreciable Reserves DR3	130,199,521	130,172,153	27,368	139,652,755	139,613,262	39,493	147,800,718	151,007,411	(3,206,693)
Non-Depreciable Items non included in Study									
302 Franchises and Consents	166,321	166,321	-	175,968	175,968	-	181,595	181,595	-
303 Misc. Intangible Plant	22,283	22,283	-	22,309	22,309	-	22,324	22,324	-
389 Land - General	(184)	(184)	-	(184)	(184)	-	(184)	(184)	-
399 Misc. Intangible Property	-	14,209	(14,209)	-	27,432	(27,432)	-	-	-
Reconciliation Items									
GL Account 100231 Reserve for Amort. Adjustment Depreciation Adj. in 2010 Annual Report	(13,159)		(13,159)	(12,061)		(12,061)			
	130,374,782	130,374,782	(0)	139,838,787	139,838,787	(0)	148,004,453	151,211,146	(3,206,693) (3)

(1) Reconciliation amount from 2008 depreciation stud

(2) Balance of Account 100231 Reserve for Amort Adj

(3) Proforma adjustments per study filing.
See pro forma recon tab

Reconciliation of FERC Utility Accounts with Pro Forma Adjustments

Investment	376.1	376.2	381.0	391.1	391.2	391.3	(3) Proforma included in Reconciliation
	Mains - Other Than Plastic	Mains - Plastic	Meters	Office Furniture	Office Machines & Equipment	Enterprise Software	
Asset 1031 - NBV Report ¹	67,184,851.96	76,899,699.22	14,487,565	376,813	2,337,839	10,225,289	
CIAC 376.99 ²	-	(49,383.24)	-	-	-	-	
2011-2013 Mains Retirements ³	(219,050.37)	(68,728.45)	-	-	-	-	(307,776.82)
Mains Reinstatements ⁴	1,993,957.21	-	-	-	-	-	1,993,957.21
Meter Reinstatements ⁵	-	-	267,899	-	-	-	267,898.84
Transmission Mains ⁶	4,685,577.48	-	-	-	-	-	-
FERC Account 391 Utility Account Transfers ⁷	-	-	-	(7,999.26)	(1,628.42)	9,629	-
Adjusted Balance	93,645,336.28	76,531,670.53	14,755,464.32	376,813.49	2,337,836.73	10,225,289.16	1,964,079.23 (3)
Balance From Schedules A and C	93,645,336.28	76,531,670.86	14,755,464	376,813	2,337,839	10,225,289	
Difference	-	-	-	-	-	-	

Reserve	376.1	376.2	381.0	391.1	391.2	391.3	380.1	380.2	383.0	384.0	387.0	387.0	(3) Proforma included in Reconciliation
	Mains - Other Than Plastic	Mains - Plastic	Meters	Office Furniture	Office Machines & Equipment	Enterprise Software	Services Other Than Plastic	Services - Plastic	House Regulators	Tools, Shop, Garage Equipment	Other Equipment	Communication Equipment	
Asset 1031 - NBV Report ¹	67,188,841	28,698,614.77	145,944.15	246,110.27	1,437,946.06	5,560,119.70	21,232,049.56	20,399,672.71	1,972,126.16	1,033,323.31	299,815.49	1,261,270.16	
CIAC 376.99 ²	-	(3,260.54)	-	-	-	-	-	-	-	-	-	-	
2011-2013 Mains Retirements ³	(219,050.37)	(68,728.45)	-	-	-	-	-	-	-	-	-	-	(307,776.82)
Mains Reinstatements ⁴	1,993,957.21	-	-	-	-	-	-	-	-	-	-	-	1,993,957.21
Meter Reinstatements ⁵	-	-	267,898.84	-	-	-	-	-	-	-	-	-	267,898.84
Transmission Mains ⁶	176,890.06	-	-	-	-	-	-	-	-	-	-	-	-
RWIP Allocation ⁷	(734,055.16)	(699,822.00)	(164,316.38)	-	-	-	(917,708.38)	(2,725,295.02)	(13,270.19)	(756.68)	(5,517.66)	-	(5,160,771.51)
FERC Account 391 Unbv Account Transfers ⁸	-	-	-	(28,117.13)	18,488.45	8,828.68	-	-	-	-	-	-	-
Reserve Transfer between 397 and 391.3 ⁹	-	-	-	-	-	252,450.77	-	-	-	-	-	(252,450.77)	-
Adjusted Balance	58,376,552.86	26,006,785.76	249,626.61	216,993.14	1,457,434.51	5,922,199.38	20,314,340.18	17,674,277.69	1,556,855.97	1,032,566.63	294,287.81	1,008,818.39	(3,206,652.28)
Balance From Schedules A and C	58,376,552.98	26,006,785.76	249,626.61	216,993.14	1,457,434.51	5,922,199.38	20,314,340.18	17,674,277.69	1,556,855.97	1,032,566.63	294,287.81	1,008,818.16	
Difference	-	-	-	-	-	-	-	-	-	-	-	-	

¹Asset 1031 - NBV Report from PowerPlant CPR

²CIAC 376.99 Amended to 376.20 - Mains Plastic

³Retirement backlog from the GIS group adjusted on a Pro Forma basis based on data received from their records. The correction was booked in PowerPlant in 02/14.

⁴It was determined that retirements booked in 2009-2013 timeframe were applied to new vintages. A correction was done to unretire the new vintages and apply the retirements to older vintages. These adjustments are applied on a pro forma basis. The corrections were booked in PowerPlant in 02/14.

⁵It was determined that retirements booked in 2009-2011 timeframe were applied to new vintages. A correction was done to unretire the new vintages and apply the retirements to older vintages. These adjustments are applied on a pro forma basis. The corrections were booked in PowerPlant in 02/14.

⁶High pressure mains serving single industrial customers previously classified as Transmission Mains were reclassified to 376.1 Mains Other Than Plastic. The transfer was booked in PowerPlant in 02/14 and shown here on a pro forma basis.

⁷The RWIP balance as of 12/31/13 is allocated to utility account reserves per the PowerPlant Proved Management module using activity ids that map to FERC utility account.

⁸Assets were transferred between the sub-accounts of 391 (i.e. Furniture, Enterprise Software and Office Machines & Equipment). This was booked in PowerPlant in 02/14 and shown here on a pro forma basis.

⁹The over-depreciated reserve balance of 5252,451 was redistributed to 391.3 from 397. This was booked in PowerPlant in 02/14.

Florida City Gas
2013 Plant and Reserve Activity

start_month	end_month	Account	Description	2013 PLANT ACTIVITY						Per Attachment A to Depreciation Study		2013 RESERVE ACTIVITY						Per Attachment A to Depreciation Study		
				Beginning Balance	Additions	Retirements	Transfers_in	Adjustments	Ending Balance	ProForma Adjustments	2013 Depreciation Study Ending Balance	Beginning Balance	Reserve	Retirements	Salvage	Transfers	Adjustments	Ending Balance	ProForma Adjustments	2013 Depreciation Study Ending Balance
			TOTAL Regulated Depreciable Plant/Reserve (study) DR:	276,718,675	10,659,187	(908,811)	1,703,301	896,542	289,068,893	6,639,657	295,708,550	139,652,755	10,801,310	(908,811)	6,804	1,278,462	1	150,830,521	(3,028,803)	147,801,718
			TOTAL Annual Report	276,289,857	17,769,009	(908,811)	1,703,301	10,878	294,844,234			139,838,786	10,983,842	(908,811)	6,804	1,289,616	908	151,211,146		
			Difference	(448,818)	7,109,822	(0)	0	(885,664)	5,775,341			196,031	182,532	(0)	(0)	11,154	908	380,625		
			Reconciliation Items:																	
			Non-Depreciable Plant																	
			FERC # Description																	
			374.1 Land - DP	72,437					72,437			(184)								(184)
			374.3 Right of Way - DP	11,132					11,132											
			389.0 Land & Rights - GP	341,051	44,450				385,501											
			302.0 Fran & Cons - Depreciable	325,164					325,164			175,968	5,627							181,595
			303.0 Misc Intlg Pft - Depreciable	25,522					25,522			22,309	15							22,324
			374.0 Land & Land Rights - DP	-	270,008				270,008											
			359.0 Misc Intangible Property	197,352				(197,352)	-			27,432								27,432
			Excluded from Study Activity:																	
			387.0 Transmission Mains (1)	-	4,685,577				4,685,577			135	176,890				(135)		176,890	
			369.0 Measuring & Regulating Equip	-					-			(44)					44		-	
			Other																	
			CIAC Included in powerplant activities via 2013 conversion	(1,224,123)	1,912,435			(688,312)	-											
			Prior GL Adj in 2013 Subledger Activity (Misc Intangible)	(197,352)	197,352				-			(39,585)			11,154	998		(27,432)		
				(448,818)	7,109,822	-	-	(885,664)	5,775,340			186,031	182,532	-	-	11,154	908	380,625		

(1) Included pro forma adjustments in depreciation study filing in Dist. Mains Account.

Scenario	Example
Asset had incomplete information in PeopleSoft Asset Management (i.e. old system).	Plastic Services that had no profile ID in PeopleSoft Asset Management (i.e. old system) were reclassified to 380.2 in PowerPlant (i.e. new system).
Asset had an incorrect information in PeopleSoft Asset Management (i.e. old system).	Commercial regulators had an invalid profile id in PeopleSoft Asset Management (i.e. old system).
Profile ID mapped to incorrect category in PeopleSoft Asset Management (i.e. old system). "Miscellaneous" or "Other" profile ids in PeopleSoft Asset Management (i.e. old system) were reviewed and the assets were mapped to the appropriate utility account in PowerPlant (i.e. new system).	396.0 - Power Operated Equipment profile id was mapped to 392 - Transportation Equipment in PeopleSoft Asset Management (i.e. old system). For conversion, all assets in this profile id were mapped to 396 - Power Operated Equipment 387.0 - Distribution Plant Other Equipment profile ID assets reviewed and reclassified as appropriate
Fleet Assets in account 392 - Transportation broken into Sub Accounts	Light trucks and heavy trucks broken into sub-accounts 392.1 - Light Trucks and 392.2 - Heavy Trucks. Also, any misclassified assets based on profile id or asset description were reclassified to the appropriate sub account.
Land, Land Rights and Right of Way were reclassified as appropriate	Land Rights, Rights of Way and Land in 374.0 - Land DP were broken into sub-accounts and reclassified between accounts as appropriate
Steel and Plastic Mains in 376.0 were broken into sub-accounts	Steel and Plastic mains were broken into sub-accounts, 376.1 - Steel and 376.2 - Plastic and reclassified between accounts as appropriate
378.0 - Measuring & Regulating Equipment	Some assets were reclassified between 379 - Measuring & Regulating City Gate and 369 - Measuring & Regulating - Transmission. The transmission Measuring & Regulating Equipment assets were reclassified to 379 - Measuring & Regulating Equipment City Gate
380.0 Steel and Plastic Services broken into sub-accounts	Steel and Plastic services were broken into sub-accounts, 380.1 - Steel and 380.2 - Plastic, and reclassified between accounts as appropriate
381.0 - Meters and ERTs broken into sub-accounts	ERTs were broken out into a sub-account 381.1 and reclassified between 381 - Meters as appropriate
385.0 - Industrial Regulators and 384.0 - House Regulator Installation	There were some assets in 385 - Industrial regulator installations that were reclassified to 384 - House Regulator Installations as appropriate
391.0 - Office Furniture & Equipment	Office Furniture & Equipment was broken into sub-accounts for 391.0 - Office Furniture & Equipment, 391.2 - Hardware/Data Processing Equipment and 391.3 - Enterprise Software. Assets were reclassified between the sub-accounts as appropriate