

State of Florida



**Public Service Commission**  
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** August 4, 2025

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Lynn Deamer, Bureau Chief, Office of Auditing & Performance Analysis *LD*

**RE:** Docket No.: 20250004-GU  
Company Name: Peoples Gas System  
Company Code: GU608  
Audit Purpose: A3e: Gas Conservation Cost Recovery Clause (GCCR)  
Audit Control No.: 2025-016-1-6

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Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and the audit report. If the Utility desires to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

Attachment: Audit Report

Cc: Office of Auditing & Performance Analysis

- State of Florida



## Public Service Commission

Office of Auditing and Performance Analysis  
Bureau of Auditing

### Auditor's Report

Peoples Gas System, Inc.  
Gas Conservation Cost Recovery Clause

**Twelve Months Ended December 31, 2024**

Docket No. 20250004-GU  
Audit Control No. 2025-016-1-6

**August 1, 2025**

A handwritten signature in blue ink, appearing to read "Eduard Dukov".

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Eduard Dukov  
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn Deamer".

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Lynn Deamer  
Reviewer

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## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Economics in its audit service request dated January 15, 2024. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Peoples Gas System, Inc. in support of its 2024 filing for the Gas Conservation Cost Recovery Clause in Docket No.20250004-GU.

The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definition

Company refers to the Peoples Gas System, Inc.

GCCR refers to the Gas Conservation Cost Recovery Clause.

### **Revenue**

**Objectives:** The objectives were to determine the actual therms sold for the period January 1, 2024, through December 31, 2024, and whether the Company applied the Commission-approved cost recovery factor to actual therm sales for the GCCR.

**Procedures:** We computed revenues using the factors by rate codes and compared them to Commission Order No. PSC-2024-0486-FOF-GU. We reconciled the revenues from the Company's filing to the general ledger. We judgmentally sampled customer bills from each rate class, and the customer bills have been tested in Purchased Gas Cost Recovery Clause, with Docket No. 20250003-GU, Audit Control No. 2025-016-1-3. No exceptions were noted.

### **Expense**

**Objectives:** The objectives were to determine whether Operation and Maintenance (O&M) Expenses listed on the Company's filing were supported by adequate documentation and that the expenses were appropriately recoverable through the GCCR.

**Procedures:** We traced expenses in the filing to the general ledger. We selected a judgmental sample of O&M Expenses to test for the current period, charged to the correct accounts, and appropriately related to the GCCR. We traced cash incentive payments to allowances approved in Order No. PSC-2023-0346-FOF-GU, issued November 16, 2023. Advertising expenses were reviewed for compliance with Rule 25-17.015, Florida Administrative code. No exceptions were noted.

### **True-up and Interest Provision**

**Objective:** The objective was to determine whether the True-Up and Interest Provision as filed on Schedule CT-3 was properly calculated.

**Procedures:** We traced the December 31, 2023, True-Up Provision to Commission Order No. PSC-2023-0346-FOF-GU. We recalculated the True-Up and Interest Provision amounts as of December 31, 2024, using the Commission approved beginning balance as of December 31, 2023, the financial commercial paper rates, and the 2024 GCCR revenues and costs. No exceptions were noted.

## **Analytical Review**

**Objective:** The objective was to perform an analytical review of the Company's GCCR revenues and expenses to determine if there were any material changes or inconsistencies from the prior year.

**Procedures:** We compared 2024 to 2023 revenues and expenses. We requested detailed explanations by categories and programs from the Company for significant variances. Explanations provided by the Company were sufficient. Further follow-up was not required.

## Audit Findings

**None**

# Exhibit

## Exhibit 1: True Up

PEOPLES GAS SYSTEM  
Energy Conservation Adjustment  
Calculation of True-Up and Interest Provision  
January 2024 through December 2024

CONSERVATION REVENUES	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. OTHER PROGRAM REVS	.	.	.	.	.	.	.	.	.	.	.	.	.
2. CONSERV. ADJ REVS	5,262,533	4,820,102	4,452,719	4,111,651	3,386,365	2,871,151	2,703,348	2,554,033	2,788,195	2,912,754	3,290,223	4,338,337	43,501,412
3. TOTAL REVENUES	5,262,533	4,820,102	4,452,719	4,111,651	3,386,365	2,871,151	2,703,348	2,554,033	2,788,195	2,912,754	3,290,223	4,338,337	43,501,412
4. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,958)	(1,035,981)	(12,431,477)
5. CONSERVATION REVS APPLICABLE TO THE PERIOD	4,226,577	3,784,145	3,416,763	3,075,693	2,350,407	1,835,193	1,667,390	1,518,077	1,752,236	1,876,796	2,254,267	3,302,376	31,069,935
6. CONSERVATION EXPS (FROM CT-3, PAGE 1)	2,842,242	2,314,180	2,366,966	3,528,207	3,411,185	3,218,014	2,875,089	2,574,379	3,157,433	2,270,478	262,274	4,069,944	33,000,351
7. TRUE-UP THIS PERIOD	1,384,335	1,469,987	1,099,787	(452,512)	(1,060,778)	(1,382,818)	(1,307,877)	(1,056,302)	(1,385,194)	(393,680)	1,871,992	(787,568)	(1,930,417)
8. REGULATORY ADJUSTMENTS													-
9. INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(48,194)	(35,278)	(25,243)	(18,508)	(18,311)	(18,132)	(20,582)	(21,126)	(21,244)	(19,803)	(12,092)	(6,529)	(284,041)
10. TRUE-UP & INT. PROV. BEGINNING OF MONTH	(11,560,787)	(9,216,690)	(8,748,026)	(4,875,518)	(4,111,580)	(4,154,711)	(4,620,704)	(4,813,007)	(4,854,479)	(5,234,881)	(4,812,488)	(1,816,632)	(11,590,787)
11. PRIOR TRUE-UP COLLECTED (REFUNDED)	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,958	1,035,981	12,431,477
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(9,216,690)	(8,748,026)	(8,748,026)	(4,875,518)	(4,111,580)	(4,154,711)	(4,620,704)	(4,813,007)	(4,854,479)	(5,234,881)	(4,812,488)	(1,816,632)	(11,590,787)
Expenses	2,842,242	2,314,180	2,366,966	3,528,207	3,411,185	3,218,014	2,875,089	2,574,379	3,157,433	2,270,478	262,274	4,069,944	33,000,351
Deferred Expenses	1,384,335	1,469,987	1,099,787	-	-	-	-	-	-	-	1,871,992	-	5,888,111
Revenues	(5,262,533)	(4,820,102)	(4,452,719)	(4,111,651)	(3,386,365)	(2,871,151)	(2,703,348)	(2,554,033)	(2,788,195)	(2,912,754)	(3,290,223)	(4,338,337)	(43,501,412)
Deferred Revenues	-	-	-	(452,512)	(1,060,778)	(1,382,818)	(1,307,877)	(1,056,302)	(1,385,194)	(393,680)	-	(787,568)	(7,818,528)



## Exhibit 2: Interest Provision

### PEOPLES GAS SYSTEM Energy Conversion Adjustment Calculation of True-up and Interest Provision January 2024 through December 2024

INTEREST PROVISION	January	February	March	April	May	June	July	August	September	October	November	December	Total
BEGINNING TRUE-UP	(11,590,787)	(9,216,650)	(8,745,025)	(4,875,515)	(4,111,550)	(4,154,711)	(4,520,704)	(4,613,007)	(4,954,479)	(5,234,951)	(4,512,425)	(1,616,632)	
ENDING TRUE-UP BEFORE INTEREST	(9,170,494)	(8,710,747)	(4,650,273)	(4,092,072)	(4,136,400)	(4,501,574)	(4,792,425)	(4,833,353)	(5,213,717)	(4,582,655)	(1,604,540)	(1,348,239)	
TOTAL BEGINNING & ENDING TRUE-UP	(20,761,281)	(15,827,437)	(11,395,258)	(8,767,588)	(8,247,950)	(8,656,285)	(9,312,129)	(9,446,360)	(10,068,196)	(9,827,645)	(6,217,026)	(2,964,871)	
AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(10,380,642)	(7,963,719)	(5,698,150)	(4,383,794)	(4,123,980)	(4,328,143)	(4,656,565)	(4,823,180)	(5,034,098)	(4,913,823)	(3,108,514)	(1,482,439)	
INTER. RATE - 1ST DAY OF REPORTING MONTH	5.340%	5.340%	5.290%	5.330%	5.340%	5.310%	5.300%	5.310%	5.210%	4.910%	4.760%	4.560%	
INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.340%	5.290%	5.330%	5.340%	5.310%	5.300%	5.310%	5.210%	4.910%	4.750%	4.580%	4.360%	
TOTAL (SUM LINES 5 & 6)	10.680%	10.630%	10.620%	10.670%	10.650%	10.610%	10.610%	10.520%	10.120%	9.660%	9.330%	8.910%	
AVG INTEREST RATE (LINE 7 TIMES 50%)	5.340%	5.315%	5.310%	5.335%	5.335%	5.305%	5.305%	5.260%	5.060%	4.830%	4.665%	4.470%	
MONTHLY AVG INTEREST RATE	0.44500%	0.443%	0.442%	0.445%	0.444%	0.442%	0.442%	0.438%	0.422%	0.403%	0.389%	0.373%	
INTEREST PROVISION (LINE 4 TIMES LINE 9) (exp)	(46,184)	(25,278)	(23,243)	(19,508)	(18,311)	(18,130)	(20,582)	(21,126)	(21,244)	(19,803)	(12,092)	(5,528)	(264,041)