

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: August 19, 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: St. Joe Natural Gas Company, Inc.
Company Code: GU610
Audit Purpose: A3e: Gas Conservation Cost Recovery Clause (GCCR)
Audit Control No.: 2025-016-1-8

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

tate of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

St. Joe Natural Gas Company, Inc.
Natural Gas Conservation Cost Recovery

Twelve Months Ended December 31, 2024

Docket No. 20250004-GU
Audit Control No. 2025-016-1-8
August 11, 2025

A handwritten signature in blue ink, appearing to read "Jenna Ageeb", written over a horizontal line.

Jenna Ageeb
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn M Deamer", written over a horizontal line.

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 16, 2025. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by St. Joe Natural Gas Company, Inc. in support of its 2024 filing for the Natural Gas Conservation Cost Recovery in Docket No. 20250004-GU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Company refers to the St. Joe Natural Gas Company, Inc.

GCCR refers to the Natural Gas Conservation Cost Recovery.

Revenue

Objectives: The objectives were to determine the actual Kilowatt Hours (kWh) sold for the period January 1, 2024, through December 31, 2024, and whether the Company applied the Commission approved cost recovery factor to actual kWh sales for the GCCR.

Procedures: We computed revenues using the factors by rate codes and compared them to Commission Order No. PSC-2016-0297-PAA-GU. We calculated actual therm sales from the Gross Margin Report, and reconciled them to the general ledger and the GCCR filing. We examined a sample of residential and commercial customers' bills and recalculated them to verify the correct tariff rate was used. No exceptions were noted.

Expense

Objectives: The objectives were to determine whether Operation and Maintenance (O&M) Expense listed on Schedule CT-3 of the Company's GCCR filing are supported by adequate documentation and that the expenses are appropriately recoverable through the GCCR.

Procedures: We traced expenses in the filing to the general ledger. We examined a sample of O&M Expenses for testing for the current period, charged to the correct accounts, and appropriately related to the GCCR. We traced cash incentive payments to allowances approved in Commission Order No. PSC-2010-0551-PAA-GU, issued September 2, 2010. The Company did not have any advertising expenses. No exceptions were noted.

True-up

Objective: The objective was to determine if 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 the Commission Order Nos. PSC-2024-0486-FOF-GU and 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

Objectives: The objectives were 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. Audit Staff determined there was a 21.09% decrease in incentives, respectively, between 2024 and 2023. No further work performed.

Audit Findings

None

Exhibit

Exhibit 1: True Up

SCHEDULE CT-3		St Joe Natural Gas											
PAGE 2 OF 3		Docket No. 20250004-GU											
		Exhibit# OKS-1											
		2024 Conservation True-Up											
		Filed: 4/29/25											
ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION													
FOR MONTHS: JANUARY 2024 THROUGH DECEMBER 2024													
CONSERVATION REVENUES	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ. REVS	(20,125)	(19,854)	(20,548)	(13,993)	(10,741)	(11,119)	(8,348)	(9,385)	(7,093)	(8,158)	(12,519)	(15,147)	(157,014)
4. TOTAL REVENUES	(20,125)	(19,854)	(20,548)	(13,993)	(10,741)	(11,119)	(8,348)	(9,385)	(7,093)	(8,158)	(12,519)	(15,147)	(157,014)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(2,068)	(24,813)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(22,192)	(21,922)	(22,616)	(16,060)	(12,809)	(13,187)	(10,416)	(11,437)	(9,181)	(10,226)	(14,586)	(17,215)	(181,827)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	21,400	14,525	3,925	14,100	18,700	9,725	18,560	10,675	10,800	5,000	14,100	3,400	143,090
8. TRUE-UP THIS PERIOD	(792)	(7,387)	(10,891)	(1,960)	5,891	(3,482)	8,134	(762)	1,739	(5,228)	(488)	(13,815)	(38,827)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(107)	(117)	(168)	(202)	(165)	(172)	(158)	(137)	(121)	(113)	(114)	(130)	(1,721)
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(24,813)	(23,845)	(29,091)	(45,879)	(45,974)	(38,201)	(39,787)	(31,723)	(30,553)	(28,887)	(30,139)	(28,671)	
11. PRIOR TRUE-UP COLLECTED(REFUNDED)	2,068	2,068	2,068	2,068	2,068	2,068	2,068	2,068	2,068	2,068	2,068	2,068	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(23,845)	(29,091)	(45,879)	(45,974)	(38,201)	(39,787)	(31,723)	(30,553)	(28,887)	(30,139)	(28,671)	(40,548)	(40,448)

Exhibit 2: True-up

SCHEDULE CT-3

PAGE 3 OF 3

St Joe Natural Gas

Docket No. 20250004-GU

Exhibit# DK8-1

2024 Conservation True-Up

Filed: 4/29/25

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: JANUARY 2024 THROUGH DECEMBER 2024

INTEREST PROVISION	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1 BEGINNING TRUE-UP	(24,813)	(23,645)	(28,091)	(45,878)	(45,974)	(38,201)	(39,787)	(31,723)	(30,553)	(26,887)	(30,138)	(28,871)	
2 ENDING TRUE-UP BEFORE INTEREST	(23,538)	(26,974)	(45,714)	(45,772)	(38,016)	(39,595)	(31,565)	(30,417)	(26,747)	(30,028)	(28,555)	(40,418)	
3 TOTAL BEGINNING & ENDING TRUE-UP	(48,351)	(52,619)	(74,804)	(91,651)	(83,990)	(77,796)	(71,332)	(62,140)	(57,300)	(56,833)	(58,697)	(69,289)	
4 AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(24,175)	(26,309)	(37,402)	(45,825)	(41,995)	(38,898)	(35,666)	(31,070)	(28,650)	(28,417)	(29,348)	(34,545)	
5 INTER. RATE - 1ST DAY OF REPORTING MONTH	5.30%	5.33%	5.32%	5.30%	5.30%	5.30%	5.32%	5.29%	5.28%	4.85%	4.71%	4.58%	
6 INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.33%	5.32%	5.30%	5.30%	5.30%	5.32%	5.28%	5.28%	4.85%	4.71%	4.58%	4.43%	
7 TOTAL (SUM LINES 5 & 6)	10.63%	10.65%	10.62%	10.60%	10.60%	10.62%	10.61%	10.56%	10.11%	9.56%	9.29%	9.01%	
8 AVG INTEREST RATE (LINE 7 TIMES 50%)	5.32%	5.33%	5.31%	5.30%	5.30%	5.31%	5.31%	5.28%	5.06%	4.78%	4.65%	4.51%	
9 MONTHLY AVG INTEREST RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.42%	0.40%	0.39%	0.38%	
10 INTEREST PROVISION (LINE 4 TIMES LINE 9)	(102)	(117)	(166)	(202)	(185)	(172)	(158)	(137)	(121)	(113)	(114)	(130)	-1,721