

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: July 17, 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.: 20250002-EG
Company Name: Florida Public Utilities Company
Company Code: EI803
Audit Purpose: A3b: Energy Conservation Cost Recovery Clause (ECCR)
Audit Control No.: 2025-013-1-4

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

Florida Public Utilities Company
Energy Conservation Cost Recovery Clause

Twelve Months Ended December 31, 2023 & 2024

Docket No. 20250002-EG
Audit Control No. 2025-013-1-4

July 17, 2025

A handwritten signature in blue ink, appearing to read "K Guan", is written above a horizontal line.

Kathryn Guan
Audit Manager

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

Lynn M. Deamer
Reviewer

Table of Contents

Purpose..... 1

Objectives and Procedures 2

Audit Findings

 None..... 4

Exhibits

 1: True-Up - 2024 5

 2: Interest Provision - 2024..... 6

 3: True-Up - 2023 7

 4: Interest Provision - 2023 8

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 13, 2025. We have applied these procedures to the attached summary exhibits and to several related schedules prepared by Florida Public Utilities Company in support of its 2023 & 2024 filings for the Energy Conservation Cost Recovery Clause in Docket No. 20250002-EG and 20240002-EG.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Company refers to the Florida Public Utilities Company.
ECCR refers to the Energy Conservation Cost Recovery.

Revenue

Operating Revenues

Objectives: The objectives were to determine the actual Kilowatt Hours (kWh) sold for the period January 1, 2023, through December 31, 2024, and determine whether the Company applied the Commission-approved cost recovery factor to actual kWh sales for the ECCR.

Procedures: We reconciled the 2023 & 2024 filings to the Company's monthly Revenue Reports. We recalculated the revenues by general ledger, and reconciled to the Company's Schedule CT-3 for 2023 & 2024. We selected two customer bills for each rate schedule for February, 2023; July, 2023; May, 2024; and September, 2024, and recalculated each to verify that the correct tariff rates were used. No exceptions were noted.

Expense

Operation and Maintenance Expense

Objectives: The objectives were to verify that Operation and Maintenance (O&M) Expense listed on the Company's Schedule CT-3 for 2023 & 2024 were supported by adequate documentation and that the expenses are appropriately recoverable through the ECCR.

Procedures: We traced 2023 & 2024 expenses in the filing to the general ledger. We judgmentally sampled O&M Expenses for testing. The source documentation for the selected items were reviewed to appropriately recoverable through the ECCR. We traced conservation program rebates to allowances approved in Order Nos. PSC-2024-0484-FOF-EG & PSC-2023-0342-FOF-EG. Advertising expenses were reviewed for compliance with Rule 25-17.015(5), Energy Conservation Cost Recovery, Florida Administrative Code (F.A.C). No exceptions were noted.

True-up

Objectives: 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, 2022 & 2023, True-Up Provision to the Commission Order Nos. PSC-2023-0342-FOF-EG & PSC-2022-0422-FOF-EG. We recalculated the True-Up and Interest Provision amounts as of December 31, 2023 & 2024, using the Commission-

approved beginning balance as of December 31, 2022 & 2023, the Financial Commercial Paper rates, and the 2023 & 2024 ECCR revenues and costs. No exceptions were noted.

Other Issues

Objectives: The objective was to verify the number of program participants reported in the Company's Florida Energy Efficiency and Conservation Act (FEECA) filing.

Procedures: We traced the number of program participants reported in the Company's March 5, 2024 and March 7, 2025 FEECA filings for the Residential Energy Survey Program, Commercial Reflective Program, Residential Heating & Cooling Upgrade Program and Low Income Energy Outreach Program by reconciling them with the program participants noted in the Company's 2023 & 2024 ECCR true-up filing. No exceptions were noted.

Analytical Review

Objectives: The objective was to perform an analytical review of the Company's ECCR Revenues and Expenses to determine if there were any material changes or inconsistencies from the prior year.

Procedures: We scheduled Revenue from 2020 to 2024, and compared the percentage change between the years. We scheduled conservation expense by program and by month, and compared the percentage changes between the years. No further work performed.

Audit Findings

None

Exhibits

Exhibit 1: True-Up - 2024

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 2 OF 3

FOR MONTHS January-24 THROUGH December-24

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION	(75,525)	(64,828)	(58,563)	(56,111)	(70,601)	(86,607)	(91,679)	(101,407)	(83,184)	(76,932)	(62,056)	(65,547)	(893,039)
2. CONSERVATION ADJ. REVENUES													0
3. TOTAL REVENUES	(75,525)	(64,828)	(58,563)	(56,111)	(70,601)	(86,607)	(91,679)	(101,407)	(83,184)	(76,932)	(62,056)	(65,547)	(893,039)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	904	904	904	904	904	904	904	904	904	904	904	904	10,848
5. CONSERVATION REVENUE APPLICABLE	(74,621)	(63,924)	(57,659)	(55,207)	(69,697)	(85,703)	(90,775)	(100,503)	(82,280)	(76,028)	(61,152)	(64,643)	(882,191)
5. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	(9,571)	52,058	104,572	51,740	117,269	75,433	69,988	38,709	57,509	88,523	82,634	82,201	611,045
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(84,192)	(11,865)	46,914	(3,457)	47,571	(10,270)	(20,806)	(61,794)	(24,771)	12,495	21,482	17,558	(71,146)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(140)	(358)	(285)	(194)	(102)	(24)	(97)	(282)	(458)	(463)	(389)	(309)	(3,101)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	10,848	(74,388)	(87,515)	(41,790)	(46,355)	210	(10,988)	(32,795)	(95,775)	(121,909)	(110,780)	(90,592)	10,848
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(904)	(904)	(904)	(904)	(904)	(904)	(904)	(904)	(904)	(904)	(904)	(904)	(10,848)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(74,388)	(87,515)	(41,790)	(46,355)	210	(10,988)	(32,795)	(95,775)	(121,909)	(110,780)	(90,592)	(74,247)	(74,247)

Exhibit 2: Interest Provision - 2024

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 3 OF 3

FOR MONTHS January-24 THROUGH December-24

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	10,848	(74,388)	(87,515)	(41,780)	(46,355)	210	(10,988)	(32,785)	(95,775)	(121,808)	(110,780)	(90,592)	10,848
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B8+B9A+B10)	(74,248)	(87,157)	(41,505)	(46,161)	312	(10,964)	(32,698)	(85,483)	(121,450)	(110,317)	(90,203)	(73,938)	(71,146)
3. TOTAL BEG. AND ENDING TRUE-UP	(63,400)	(161,545)	(129,020)	(87,951)	(48,043)	(10,753)	(43,686)	(128,268)	(217,225)	(232,225)	(200,983)	(164,529)	(60,298)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(31,700)	(80,772)	(64,510)	(43,976)	(23,022)	(5,377)	(21,843)	(64,144)	(108,613)	(116,113)	(100,491)	(82,265)	(30,149)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.30%	5.33%	5.32%	5.30%	5.30%	5.30%	5.32%	5.29%	5.26%	4.85%	4.71%	4.58%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.33%	5.32%	5.30%	5.30%	5.30%	5.32%	5.29%	5.26%	4.85%	4.71%	4.58%	4.43%	
7. TOTAL (LINE C-5 + C-6)	10.63%	10.65%	10.62%	10.60%	10.60%	10.62%	10.61%	10.55%	10.11%	9.56%	9.29%	9.01%	
8. AVG. INTEREST RATE (C-7 X 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 AVERAGE INTEREST RATE	0.443%	0.444%	0.443%	0.442%	0.442%	0.443%	0.442%	0.440%	0.421%	0.398%	0.387%	0.375%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(140)	(358)	(285)	(194)	(102)	(24)	(97)	(282)	(458)	(463)	(389)	(306)	(3,101)

Exhibit 3: True-Up - 2023

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-23 THROUGH December-23

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES													
1. RESIDENTIAL CONSERVATION	(60,314)	(48,398)	(48,141)	(50,188)	(49,083)	(59,609)	(75,134)	(73,311)	(76,749)	(52,393)	(48,154)	(50,386)	(689,858)
2. CONSERVATION ADJ. REVENUES													0
3. TOTAL REVENUES	(60,314)	(48,398)	(48,141)	(50,188)	(49,083)	(59,609)	(75,134)	(73,311)	(76,749)	(52,393)	(48,154)	(50,386)	(689,858)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,774)	(17,775)	(213,289)
5. CONSERVATION REVENUE APPLICABLE	(78,088)	(66,172)	(63,915)	(67,960)	(66,857)	(77,383)	(92,908)	(91,085)	(94,523)	(70,167)	(65,928)	(68,161)	(903,147)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	61,312	58,076	108,024	85,800	93,659	62,390	44,593	55,306	57,983	68,089	131,669	92,641	919,544
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(16,776)	(8,096)	44,108	17,840	26,802	(14,992)	(48,315)	(35,777)	(36,540)	(2,078)	65,740	24,480	16,397
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(763)	(777)	(681)	(504)	(353)	(284)	(329)	(442)	(529)	(539)	(323)	(45)	(5,549)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(213,289)	(213,054)	(204,153)	(142,952)	(107,842)	(63,619)	(61,101)	(91,971)	(110,415)	(129,710)	(114,553)	(31,362)	(213,289)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	17,774	17,774	17,774	17,774	17,774	17,774	17,774	17,774	17,774	17,774	17,774	17,775	213,289
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(213,054)	(204,153)	(142,952)	(107,842)	(63,619)	(61,101)	(91,971)	(110,415)	(129,710)	(114,553)	(31,362)	10,848	10,848

Exhibit 4: Interest Provision - 2023

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 3 OF 3

FOR MONTHS January-23 THROUGH December-23

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(213,289)	(213,054)	(204,153)	(142,952)	(107,842)	(63,619)	(61,101)	(91,971)	(110,415)	(129,710)	(114,553)	(31,362)	(213,289)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(212,291)	(203,376)	(142,271)	(107,338)	(63,286)	(60,837)	(91,642)	(109,973)	(129,181)	(114,014)	(31,039)	10,893	16,397
3. TOTAL BEG. AND ENDING TRUE-UP	(425,580)	(416,431)	(346,424)	(250,290)	(171,107)	(124,455)	(152,743)	(201,944)	(239,596)	(243,724)	(145,592)	(20,469)	(196,892)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(212,790)	(208,215)	(173,212)	(125,145)	(85,554)	(62,228)	(76,371)	(100,972)	(119,798)	(121,862)	(72,796)	(10,235)	(98,446)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	4.25%	4.36%	4.60%	4.83%	4.83%	5.08%	5.12%	5.23%	5.28%	5.31%	5.31%	5.34%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.36%	4.60%	4.83%	4.83%	5.08%	5.12%	5.23%	5.28%	5.31%	5.31%	5.34%	5.30%	
7. TOTAL (LINE C-5 + C-6)	8.61%	8.96%	9.43%	9.66%	9.91%	10.20%	10.35%	10.51%	10.59%	10.62%	10.65%	10.64%	
8. AVG. INTEREST RATE (C-7 X 50%)	4.31%	4.48%	4.72%	4.83%	4.96%	5.10%	5.18%	5.26%	5.30%	5.31%	5.33%	5.32%	
9. MONTHLY AVERAGE INTEREST RATE	0.359%	0.373%	0.393%	0.403%	0.413%	0.425%	0.431%	0.438%	0.441%	0.443%	0.444%	0.443%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(763)	(777)	(681)	(504)	(353)	(284)	(329)	(442)	(529)	(539)	(323)	(45)	(5,549)