

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 22, 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.: 20250003-GU
Company Name: Florida Public Utilities Company
Company Code: GU603
Audit Purpose: A3c: Purchased Gas Cost Recovery Clause (PGA)
Audit Control Nos.: 2025-016-1-1 & 2025-016-1-3

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
Purchased Gas Cost Recovery Clause

Twelve Months Ended December 31, 2023 & 2024

Docket No. 20250003-GU
Audit Control Nos. 2025-016-1-1 & 2025-016-1-3
July 22, 2025

A handwritten signature in black ink, appearing to read "Gab", is written over a horizontal line.

Gabrielle Dearmond
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn M. Deamer", is written over 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: True-Up - 2023 6

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 Purchased Gas Cost Recovery Clause in Docket No. 20250003-GU and 20240003-GU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Company/FPUC refers to the Florida Public Utilities Company.

FCG refers to Florida City Gas.

PGA refers to the Purchased Gas Cost Recovery Clause.

Background

This audit reviewed FPUC's true-up for 2023 and 2024. FPUC and FCG filed a joint petition for approval of 2024 true-up amounts, therefore this audit also reviewed FCG true-up schedules for 2024.

Revenue

Operating Revenues

Objectives: The objectives were to determine the actual therms 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 therm sales for the PGA.

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 a sample of residential and commercial customer bills to test by rate class in Order No. PSC-2024-0480-FOF-GU & PSC-2023-0347-FOF-GU, to verify that the correct tariff rate was 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 filing for 2023 & 2024 were supported by adequate documentation and that the expenses are appropriately recoverable through the PGA.

Procedures: We traced 2023 & 2024 expenses in the filing to the general ledger. We traced monthly amounts to the Company filings. The source documentation for the selected items were reviewed to ensure the expenses were appropriately recoverable through the PGA. 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-2023-0347-FOF-GU & PSC-2022-0410-FOF-GU. 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 Non-Financial Commercial Paper rates, and the 2023 & 2024 PGA revenues and costs. No exceptions were noted.

Analytical Review

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

Procedures: We compared revenues and expenses from 2018 to 2024, and compared the percentage change between the years. We requested explanations from the Company for substantial changes, and the explanation was sufficient. No further work performed.

Audit Findings

None

Exhibits

Exhibit 1: True-Up - 2024

CONSOLIDATED

COMPANY: CONSOLIDATED FLORIDA PUBLIC UTILITIES COMPANY & FLORIDA CITY GAS		SCHEDULE A-7
FINAL FUEL OVER/UNDER RECOVERY		
FOR THE PERIOD: JANUARY 2024 THROUGH DECEMBER 2024		
1	ACTUAL FUEL COST FOR THE PERIOD	\$73,922,517
1a	OSS MARGIN SHARING	(\$1,136,986)
1b	TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2, LINE 3 72,785,531
2.	FUEL REVENUES APPLICABLE TO THE PERIOD	A-2, LINE 8 67,537,585
3.	OVER/(UNDER) RECOVERY FOR THE PERIOD	LINE 2 - LINE 1 (5,247,946)
4.	INTEREST PROVISION FOR THE PERIOD	A-2, LINE 8 362,150
5.	TOTAL OVER/(UNDER) RECOVERY FOR THE PERIOD	LINE 3 + LINE 4 (4,885,796)
6.	LESS: ESTIMATED OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 2024 THROUGH DECEMBER 2024, WHICH WAS INCLUDED IN THE CURRENT JANUARY 2025 THROUGH DECEMBER 2025 PERIOD	E-4, LINE 4, COL. 4 (4,156,132)
7.	FINAL 2024 FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED JANUARY 2026 THROUGH DECEMBER 2026 PERIOD	LINE 5 - LINE 6 (729,664)

Exhibit

Docket No. 20250003-GU

Consolidated: Florida Public Utilities Company & Florida City Gas
(DW-1)

CONSOLIDATED

C:\Users\kca\OneDrive\My Documents\Microsoft\Windows\Network\Content\Outlook\28\90WST2024 CONSOLIDATED FPUC FCG PGA True-Up - FILED.xlsx CONSOLIDATED

Exhibit 2: True-Up - 2023

2023 PGA TRUEUP per filings

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY & FT. MEADE		SCHEDULE A-7
FINAL FUEL OVER/UNDER RECOVERY		
FOR THE PERIOD: JANUARY 2023 THROUGH DECEMBER 2023		
1. TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2, LINE 3	50,913,412
2. FUEL REVENUES APPLICABLE TO THE PERIOD	A-2, LINE 6	58,072,829
3. OVER/(UNDER) RECOVERY FOR THE PERIOD	LINE 2 - LINE 1	7,159,417
4. INTEREST PROVISION FOR THE PERIOD	A-2, LINE 8	92,346
5. TOTAL OVER/(UNDER) RECOVERY FOR THE PERIOD	LINE 3 + LINE 4	7,251,763
6. LESS: ESTIMATED OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 2023 THROUGH DECEMBER 2023, WHICH WAS INCLUDED IN THE CURRENT JANUARY 2024 THROUGH DECEMBER 2024 PERIOD	E-4, LINE 4, COL. 4	1,880,594
7. FINAL 2023 FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED JANUARY 2025 THROUGH DECEMBER 2025 PERIOD	LINE 5 - LINE 6	5,371,169

Exhibit
Docket No. 20240003-GU
Florida Public Utilities Company
(MDN-1)