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: June 2, 2026

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

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis LD

RE: Docket No.: 20260011-GU
Company Name: Florida City Gas
Company Code: GU602
Audit Purpose: A3h: Natural Gas Facilities Relocation Cost Recovery Clause
Audit Control No.: 2026-041-1-1

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and audit report. If the Utility desired 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.

Attachement: Audit Report

Cc: Office of Audit & Performance Analysis

State of Florida

Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Florida City Gas
Natural Gas Facilities Relocation Cost Recovery Clause

For the Period August 1, 2024, to July 31, 2025

Docket No. 20260011-GU
Audit Control No. 2026-041-1-1
May 26, 2026

Gabrielle Dearmond
Audit Manager

Lynn M. 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 Office of Industry Development & Market Analysis in its audit service request dated January 30, 2026. We have applied these procedures to the attached summary exhibits and to several related schedules prepared by Florida City Gas Company in support of its 2025 filing for the Natural Gas Facilities Relocation Cost Recovery Clause in Docket No. 20260011-GU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

FCG/Company refers to the Florida City Gas.
NGFRCRC refers to the Natural Gas Facilities Relocation Cost Recovery Clause.

Background

On February 3, 2026 and March 31, 2026, Florida City Gas filed support for its Natural Gas Facilities Relocation Cost Recovery Clause, for the period August 1, 2024, to July 31, 2025. Based on the Audit Service Request, audit staff reviewed the period from July 1, 2024 through July 31, 2025.

Rate Base

CWIP and Qualified Investment Activities

Objectives: The objectives were to reconcile the general ledger of CWIP and Qualified Investment Activities of NGFRCRC of the Company to the filing and verify that the costs charged to NGFRCRC are in compliance with Rule 25-7.150, F.A.C.

Procedures: We recalculated the qualified investment and revenue requirements from the general ledger for the period August 1, 2024, to July 31, 2025, and traced to Schedules C-1 and C-2. We traced the project and work order details to the supporting documentation and Schedule A-1. We also traced the projects and work orders to Commission Order No. PSC-2026-0052-TRF-GU, in Docket No. 20250121-GU, and confirmed the costs are in compliance with Rule 25-7.150, F.A.C. We judgmentally selected the qualified investment activities sample from the Company and traced them to the supporting documentation. No exceptions were noted.

Accumulated Depreciation

Objectives: The objective was to verify that the accumulated depreciation of NGFRCRC of the Company was properly recorded and reflected in the filing for the testing period.

Procedures: We recalculated the accumulated depreciation from August 1, 2024, to July 31, 2025 using the rates approved in Order No. PSC-2023-0177-FOF-GU, and traced to Schedules C-1 and C-2. No exceptions were noted.

True-up and Interest Provision

Objective: The objective was to verify that the true-up amount, including the interest calculation, is correctly reflected on the filing.

Procedures: We recalculated the True-Up and Interest Provision amounts as of July 31, 2025, using the Non-Financial Commercial Paper rates, and the revenues and costs. No exceptions were noted.

Net Operating Income

Clause Revenues

Objectives: The objectives were to verify that the revenues of NGFRCRC of the Company were properly recorded in the general ledger and reflected in the filing, and whether the Company applied the Commission-approved cost recovery factor to actual kWh sales.

Procedures: The Commission had not determined a cost recovery factor for the audited period. We confirmed there was no clause revenue booked in the general ledger or reflected in filing for the period August 1, 2024, to July 31, 2025. No exceptions were noted.

Expenses

Objectives: The objective was to verify that the NGFRCRC costs of the Company were properly recorded and reflected in the filing for the testing period.

Procedures: We traced the breakdown of cost estimated for each project to Schedule A-1 and Form 1X. No exceptions were noted.

Depreciation Expenses

Objectives: The objective was to verify that the depreciation expenses of NGFRCRC of the Company were properly recorded in the general ledger and reflected in the filing.

Procedures: We obtained the depreciation rates from the Commission Order No. PSC-2023-0177-FOF-GU and traced to Schedules C-1 and C-2. We also recalculated the depreciation expenses for the period August 1, 2024, to July 31, 2025, and traced to Schedules C-1 and C-2. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: True-up - 2025

Exhibit No. DW-2

FLORIDA CITY GAS
Natural Gas Facilities Relocation Cost Recovery Clause
Final True-Up
Prior Period: January through December 2025

Calculation of True-Up Amount
(in Dollars)

NGFRCRC Form 2A 2024
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Line		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Clause Revenues (net of Revenue Taxes)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2.	True-Up Provision	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Clause Revenues Applicable to Period (Lines 1 + 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4.	Revenue Requirement	$1,696	$2,558	$3,731	$4,478	$5,310	$6,111	$6,293	$6,333	$6,585	$6,760	$7,427	$8,504	$ 65,786
5.	Over/(Under) Recovery (Line 3 - Line 4d)	$ (1,696)	$ (2,558)	$ (3,731)	$ (4,478)	$ (5,310)	$ (6,111)	$ (6,293)	$ (6,333)	$ (6,585)	$ (6,760)	$ (7,427)	$ (8,504)	$ (65,786)
6.	Interest Provision (NGFRCRC Form 3A, Line 10)	$ (14)	$ (21)	$ (33)	$ (48)	$ (66)	$ (86)	$ (108)	$ (130)	$ (149)	$ (166)	$ (186)	$ (207)	$ (1,214)
7.	Beginning Balance True-Up & Interest Provision	$ (2,934)	$ (4,644)	$ (7,223)	$ (10,987)	$ (15,512)	$ (20,888)	$ (27,086)	$ (33,487)	$ (39,950)	$ (46,685)	$ (53,611)	$ (61,224)	$ (61,224)
	a. Deferred True-Up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8.	True-Up Collected/(Refunded) (see Line 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9.	End of Period Total True-Up (Lines 5+6+7+7a+8)	$ (4,644)	$ (7,223)	$ (10,987)	$ (15,512)	$ (20,888)	$ (27,086)	$ (33,487)	$ (39,950)	$ (46,685)	$ (53,611)	$ (61,224)	$ (69,935)	$ (69,935)
10.	Adjustment to Period True-Up Including Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11.	End of Period Total True-Up (Lines 9 + 10)	$ (4,644)	$ (7,223)	$ (10,987)	$ (15,512)	$ (20,888)	$ (27,086)	$ (33,487)	$ (39,950)	$ (46,685)	$ (53,611)	$ (61,224)	$ (69,935)	$ (69,935)
12	Adjustment to Period True-Up Including Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
13	End of Period Total True-Up (Lines 9 + 10)	$ (4,644)	$ (7,223)	$ (10,987)	$ (15,512)	$ (20,888)	$ (27,086)	$ (33,487)	$ (39,950)	$ (46,685)	$ (53,611)	$ (61,224)	$ (69,935)	$ (69,935)

Exhibit 2: True-up - 2024

Exhibit No. DW-2

FLORIDA CITY GAS
Natural Gas Facilities Relocation Cost Recovery Clause
Final True-Up
Prior Period: January through December 2024

NGFRCRC Form 2A 2024
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Calculation of True-Up Amount
(in Dollars)

Line		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Clause Revenues (net of Revenue Taxes)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
2	True-Up Provision	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Clause Revenues Applicable to Period (Lines 1 + 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4.	Revenue Requirement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 71	$ 443	$ 873	$ 770	$ 755	$ 2,912
5.	Over/(Under) Recovery (Line 3 - Line 4d)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71)	$ (443)	$ (873)	$ (770)	$ (755)	$ (2,912)
6.	Interest Provision (NGFRCRC Form 3A, Line 10))	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (0)	$ (1)	$ (4)	$ (7)	$ (10)	$ (22)
7.	Beginning Balance True-Up & Interest Provision	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71)	$ (515)	$ (1,392)	$ (2,169)	$ (2,169)
	a. Deferred True-Up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8.	True-Up Collected/(Refunded) (see Line 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9.	End of Period Total True-Up (Lines 5+6+7+7a+8)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71)	$ (515)	$ (1,392)	$ (2,169)	$ (2,934)	$ (2,934)
10.	Adjustment to Period True-Up Including Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11.	End of Period Total True-Up (Lines 9 + 10)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71)	$ (515)	$ (1,392)	$ (2,169)	$ (2,934)	$ (2,934)

Exhibit No
Florida City Gas
DW-2
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Exhibit 3: Interest Provision - 2024

Exhibit No. DW-2

FLORIDA CITY GAS
Natural Gas Facilities Relocation Cost Recovery Clause
Final True-Up
Prior Period: January through December 2024

NGFRCRC Form 3A 2024
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Calculation of Interest Provision for True-Up Amount
(In Dollars)

Line		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Beginning True-Up Amount (NGFRCRC Form 2A 2024, Line 7+7a+10)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71)	$ (515)	$ (1,392)	$ (2,169)	$ (4,148)
2.	Ending True-Up Amount Before Interest	0	0	0	0	0	0	0	(71)	(514)	(1,388)	(2,162)	(2,924)	$ (7,060)
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71)	$ (585)	$ (1,904)	$ (3,554)	$ (5,093)	$ (11,208)
4.	Average True-Up Amount (Line 3 x 1/2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (36)	$ (293)	$ (952)	$ (1,777)	$ (2,547)	$ (5,604)
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%	4.95%	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 of Beginning & Ending Interest Rates (Lines 5 + 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.	Average Interest Rate (Line 7 x 1/2)	5.315%	5.325%	5.310%	5.300%	5.300%	5.310%	5.305%	5.275%	5.055%	4.780%	4.645%	4.505%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	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 for the Month (Line 4 x Line 9)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (0)	$ (1)	$ (4)	$ (7)	$ (10)	$ (22)

Exhibit 4: Interest Provision - 2025

Exhibit No. DW-2

FLORIDA CITY GAS
Natural Gas Facilities Relocation Cost Recovery Clause
Final True-Up
Prior Period: January through December 2025

NGFRCRC Form 3A 2025
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Calculation of Interest Provision for True-Up Amount
(In Dollars)

Line		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Beginning True-Up Amount (NGFRCRC Form 2A 2024, Line 7+7a+10)	$ (2,934)	$ (4,644)	$ (7,223)	$ (10,997)	$ (15,512)	$ (20,888)	$ (27,085)	$ (33,497)	$ (39,950)	$ (46,686)	$ (53,611)	$ (61,224)	$ (61,224)
2.	Ending True-Up Amount Before Interest	(4,630)	(7,202)	(10,954)	(15,455)	(20,823)	(26,999)	(33,379)	(39,820)	(46,535)	(53,445)	(61,[illegible])	(69,729)	$ (69,729)
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	$ (7,563)	$ (11,845)	$ (18,177)	$ (26,452)	$ (36,335)	$ (47,[illegible])	$ (60,465)	$ (73,307)	$ (86,488)	$ (100,13[illegible])	$ (114,650)	$ (130,953)	$ (130,953)
4.	Average True-Up Amount (Line 3 x 1/2)	$ (3,782)	$ (5,923)	$ (9,089)	$ (13,226)	$ (18,168)	$ (23,944)	$ (30,232)	$ (36,554)	$ (43,243)	$ (50,065)	$ (57,325)	$ (65,477)	$ (65,477)
5.	Interest Rate (First Day of Reporting Business Month)	4.43%	4.29%	4.32%	4.30%	4.33%	4.34%	4.31%	4.28%	4.23%	4.06%	3.91%	3.88%	
6.	Interest Rate (First Day of Subsequent Business Month)	4.29%	4.32%	4.30%	4.33%	4.34%	4.31%	4.28%	4.23%	4.06%	3.91%	3.88%	3.69%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.72%	8.61%	8.62%	8.63%	8.67%	8.65%	8.59%	8.51%	8.29%	7.97%	7.79%	7.57%	
8.	Average Interest Rate (Line 7 x 1/2)	4.360%	4.305%	4.310%	4.315%	4.335%	4.325%	4.295%	4.255%	4.145%	3.985%	3.895%	3.785%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.363%	0.359%	0.359%	0.360%	0.361%	0.360%	0.358%	0.355%	0.345%	0.332%	0.325%	0.315%	
10.	Interest Provision for the Month (Line 4 x Line 9)	$ (14)	$ (21)	$ (33)	$ (48)	$ (65)	$ (86)	$ (108)	$ (130)	$ (149)	$ (166)	$ (186)	$ (207)	$ (1,214)