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 7, 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.: 20260002- EG
Company Name: Florida Public Utilities Company
Company Code: EI803
Audit Purpose: A3b: Energy Conservation Cost Recovery Clause (ECCR)
Audit Control No.: 2026-015-1-4

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 Public Utilities Company
Energy Conservation Cost Recovery Clause

Twelve Months Ended December 31, 2025

Docket No. 20260002-EG
Audit Control No. 2026-015-1-4
July 7, 2026

Jeevan Reddy Shivashankara Reddy
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 the Division of Economics in its audit service request dated January 5, 2026. 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 2025 filings for the Energy Conservation Cost Recovery Clause in Docket No. 20260002-EG.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

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

Revenue

Operating Revenues

Objectives: The objectives were to determine the actual Kilowatt Hours (kWh) sold for the period January 1, 2025, through December 31, 2025, and whether the Company applied the Commission-approved cost recovery factor to actual kWh sales for the ECCR.

Procedures: We reconciled the 2025 filings to the Company's monthly Revenue Reports. We recalculated the revenues from the general ledger and reconciled to the Company's Schedule CT-3. We computed the factors by rate code and compared them to the applicable Commission Order. We judgmentally selected two customer bills of each rate class for March and October 2025 and recalculated the customer bills using the commission-approved tariff rates. No exceptions were noted.

Expense

Operation and Maintenance Expense

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

Procedures: We traced 2025 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 reconciled incentives to the corresponding approved program standard. Advertising expenses were reviewed for compliance with Rule 25-17.015(5), Energy Conservation Cost Recovery, Florida Administrative Code. 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, 2024, True-Up Provision to the Commission Order No. PSC-2024-0484-FOF-EG. We recalculated the True-Up and Interest Provision amounts as of December 31, 2025, using the Commission-approved beginning balance as of December 31, 2024, the non-financial Commercial Paper rates, and the 2025 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 2026 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 2025 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 2021 to 2025 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. We obtained the explanation from the Company for the substantial changes, and the explanations were sufficient. No further work was performed.

Audit Findings

None

Exhibits

Exhibit 1: True-Up

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FLORIDA PUBLIC UTILITIES COMPANY
(KIL-1)
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COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-25 THROUGH December-25

B.	CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	RESIDENTIAL CONSERVATION	(68,467)	(69,141)	(48,943)	(51,252)	(53,871)	(67,313)	(78,969)	(78,250)	(74,319)	(64,203)	(39,938)	(65,364)	(760,030)
2.	CONSERVATION ADJ. REVENUES													0
3.	TOTAL REVENUES	(68,467)	(69,141)	(48,943)	(51,252)	(53,871)	(67,313)	(78,969)	(78,250)	(74,319)	(64,203)	(39,938)	(65,364)	(760,030)
4.	PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,187)	(6,190)	(74,247)
5.	CONSERVATION REVENUE APPLICABLE	(74,654)	(75,328)	(55,130)	(57,439)	(60,058)	(73,500)	(85,156)	(84,437)	(80,506)	(70,390)	(46,125)	(71,554)	(834,277)
6.	CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	76,014	78,240	97,135	105,937	36,834	44,323	56,661	52,649	122,387	61,015	62,578	95,238	889,009
7.	TRUE-UP THIS PERIOD (LINE 5 - 6)	1,360	2,912	42,005	48,498	(23,224)	(29,178)	(28,495)	(31,787)	41,881	(9,375)	16,453	23,683	54,733
8.	INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(256)	(224)	(122)	62	131	59	(22)	(107)	(66)	11	42	124	(368)
9.	TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(74,247)	(66,956)	(58,081)	(10,011)	44,736	27,830	4,899	(17,432)	(43,139)	4,863	1,685	24,368	(74,247)
9A.	DEFERRED TRUE-UP BEGINNING OF PERIOD													
10.	PRIOR TRUE-UP COLLECTED (REFUNDED)	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,190	74,247
11.	TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(66,956)	(58,081)	(10,011)	44,736	27,830	4,899	(17,432)	(43,139)	4,863	1,685	24,368	54,365	54,365

Exhibit 2: Interest Provision

EXHIBIT NO. ____________
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COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-25 THROUGH December-25

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	(74,247)	(66,956)	(58,081)	(10,011)	44,736	27,830	4,899	(17,432)	(43,139)	4,863	1,895	24,368	(74,247)
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(66,700)	(57,857)	(9,889)	44,674	27,699	4,840	(17,410)	(43,032)	4,929	1,674	24,326	54,241	54,733
3.	TOTAL BEG. AND ENDING TRUE-UP	(140,947)	(124,813)	(67,970)	34,663	72,436	32,670	(12,511)	(60,464)	(38,210)	6,537	26,011	78,608	(19,514)
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	(70,473)	(62,406)	(33,985)	17,332	36,218	16,335	(6,256)	(30,232)	(19,105)	3,269	13,005	39,304	(9,757)
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 (LINE C-5 + C-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.	AVG. INTEREST RATE (C-7 X 50%)	4.36%	4.31%	4.31%	4.32%	4.34%	4.33%	4.30%	4.26%	4.15%	3.99%	3.90%	3.79%	
9.	MONTHLY AVERAGE INTEREST RATE	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 (LINE C-4 X C-9)	(256)	(224)	(122)	62	131	59	(22)	(107)	(66)	11	42	124	(368)