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, 2026

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

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

RE: Docket No.: 20260003- GU
Company Name: St. Joe Natural Gas Company, Inc.
Company Code: GU610
Audit Purpose: A3c: Purchased Gas Adjustment Clause
Audit Control No.: 2026-016-1-3

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

St. Joe Natural Gas Company, Inc.
Purchased Gas Adjustment Clause

Twelve Months Ended December 31, 2025

Docket No. 20260003-GU
Audit Control No. 2026-016-1-3
July 7, 2026

Grayson DiBernardo
Audit Manager

Lynn Deamer
Audit 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 7, 2026. 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 2025 filing for the Purchased Gas Adjustment Clause in Docket No. 20260003-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.
PGA refers to the Purchased Gas Adjustment Clause.

Revenue

Operating Revenue

Objectives: The objectives were to determine the actual therms sold for the period January 1, 2025, through December 31, 2025, and whether the Company applied the Commission-approved cost recovery factor to actual therm sales for the PGA.

Procedures: We recalculated the 2025 Company's revenues and reconciled them to the Company's filing. We sampled two customer bills from each month of 2025 to verify that the Commission-approved rates were used. No exceptions were noted.

Expense

Operation and Maintenance Expense

Objectives: The objectives were to verify that Operation and Maintenance (O&M) Expenses listed on the Company's filing are supported by adequate documentation and that the expenses are appropriately recoverable through the PGA.

Procedures: We traced 2025 expenses from the general ledger to the company's filing. We judgmentally sampled two invoices for each month of 2025. These were reviewed to ensure that the expenses were for the current period, charged to the correct accounts, and appropriately recoverable through the PGA. No exceptions were noted.

True-up

Objective: The objective was to determine if the True-Up and Interest Provision as filed on Schedule A-2 was properly calculated.

Procedures: We traced the December 31, 2024, True-Up Provision to the Commission Order. 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 PGA revenues and costs. No exceptions were noted.

Analytical Review

Objective: 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 2025 to 2024 revenues and expenses. We requested explanations from the Company for significant changes, and the explanations were sufficient. No further work was preformed.

Audit Findings

None

<u>Exhibit</u>

Exhibit 1: True Up and Interest Provision

COMPANY: ST JOE NATURAL GAS CO — CALCULATION OF TRUE-UP AND INTEREST PROVISION — SCHEDULE A-2

FOR THE PERIOD OF: JANUARY 2025 Through DECEMBER 2025

	CURRENT MONTH: DECEMBER				PERIOD TO DATE			
	ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST LINE 4, A/1	$62,333	$62,333	0	0	$445,272	$445,272	0	0
2 TRANSPORTATION COST (LINE(1+5+6-(7+8+	$13,742	-$1,654	-15,395	9.310719	$110,386	$168,925	58,539	0 346539
3 TOTAL	$76,075	$60,679	-15,395	-0 25372	$555,658	$614,197	58,539	0.09531
4 FUEL REVENUES (NET OF REVENUE TAX)	$38,850	$60,679	22,030	0.36305	$529,554	$614,197	84,644	0.137812
5 TRUE-UP(COLLECTED) OR REFUNDED	$7,185	$7,185	0	0	$86,221	$86,221	0	0
6 FUEL REVENUE APPLICABLE TO PERIOD * (LINE 4 (+ or -) LINE 5)	$45,835	$67,864	22,030	0 324613	$615,775	$700,418	84,644	0.120847
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	-$30,240	$7,185	37,425	5 208724	$60,116	$86,221	26,105	0.302765
8 INTEREST PROVISION-THIS PERIOD (21)	$534	-$234	-768	3 282417	$7,841	-$3,055	-10,996	3 59951
9 BEGINNING OF PERIOD TRUE-UP AND	$187,985	($74,164)	-262,149	3.534731	$169,258	($71,343)	-240,601	3 372454
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(7,185)	(7,185)	0	0	(86,221)	(86,221)	0	0
10a FLEX RATE REFUND (if applicable)	$0	$0	0	0	$0	$0	0	0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	$151,094	-$74,398	-225,492	3.030897	$151,094	-$74,398	-225,492	3.030897
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	187,985	(74,154)	(262,149)	3.534731	If line 6 is a refund add to line 4 If line 5 is a collection ( )subtract from line 4			
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	150,560	(74,164)	(224,724)	3.030104				
14 TOTAL (12+13)	338,546	(148,328)	(486,873)	3.282417				
15 AVERAGE (50% OF 14)	169,273	(74,164)	(243,437)	3.282417				
16 INTEREST RATE - FIRST DAY OF MONTH	3 88	3 88	0	0				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	3.69	3 69	0	0				
18 TOTAL (16+17)	7.57	7.57	0	0				
19 AVERAGE (50% OF 18)	3.79	3.79	0	0				
20 MONTHLY AVERAGE (19/12 Months)	0.31542	0 31542	0	0				
21 INTEREST PROVISION (15x20)	534	-234	-768	3.282417				