

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 29, 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.: 20260004-GU
Company Name: Florida Public Utilities Company
Company Code: GU603
Audit Purpose: A3e: Natural Gas Conservation Cost Recovery Clause
Audit Control No.: 2026-015-1-6

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of theis 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.

Attachment: 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
Natural Gas Conservation Cost Recovery

Twelve Months Ended December 31, 2025

Docket No. 20260004-GU
Audit Control No. 2026-015-1-6
July 29, 2026

A handwritten signature in blue ink, appearing to read "KD for Kathryn Guan", written over a horizontal line.

Kathryn Guan
Audit Manager

A handwritten signature in purple ink, appearing to read "Jeevan Reddy S", written over a horizontal line.

Jeevan Reddy Shivashankara Reddy
Audit Staff

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

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 15, 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 filing for the Natural Gas Conservation Cost Recovery in Docket No. 20260004-GU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

FPUC refers to the Florida Public Utilities Company.

FCG refers to Florida City Gas.

Company refers to Florida Public Utilities Company and Florida City Gas Consolidated.

GCCR refers to the Natural Gas Conservation Cost Recovery.

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.

Procedures: We recalculated revenues using the Commission-approved factors, and actual therm sales from the Consumption Reports, and reconciled them to the general ledger and Schedule CT-3. The recalculation of customer bills was performed in Docket No. 20260004-GU, Audit Control No. 2026-012-1-2, with the revenue portions of the other clause audits. No exceptions were noted.

Expense

Objectives: The objectives were to determine whether Operation and Maintenance (O&M) Expenses listed on Schedule CT-3 of the Company's GCCR filing are supported by adequate documentation and that the expenses were appropriately recoverable through the GCCR.

Procedures: We recalculated the expenses from the general ledger and traced to Schedule CT-3. We judgmentally selected a sample of O&M Expenses for testing. The source documentation for selected items was reviewed to ensure the expense was for the current period, charged to the correct accounts, and appropriately recoverable through the GCCR. We recalculated the Advertising, Labor & Payroll, Legal & Outside Services, Incentives, and Common Costs, and traced them to Schedule CT-2. Advertising expenses were reviewed and in compliance with Rule 25-17.015(5), Energy Conservation Cost Recovery, Florida Administrative Code. We traced the program participants of Rebates to Schedule CT-6 and determined that the program participants were not properly reflected in Filing. Company confirmed this and indicated that it would revise the Schedule in its Filing, technical staff should determine whether the Schedule has been revised. No exceptions were noted.

True-up

Objective: 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-2024-0486-FOF-GU. 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 GCCR revenues and costs. No exceptions were noted.

Analytical Review

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

Procedures: We compared 2024 to 2025 revenues and expenses. We requested explanations from the Company for any significant variances. The explanations provided by the Company were sufficient. No further work performed.

Audit Findings

None

Exhibit

Exhibit 1: True Up

COMPANY: CONSOLIDATED FLORIDA PUBLIC UTILITIES & FLORIDA CITY GAS

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-25 THROUGH December-25

SCHEDULE CT-3
PAGE 2 OF 3

EXHIBIT NO. _____
DOCKET NO. 20260004-GU
CONSOLIDATED: FPUG & FCG
(XIL-1)
PAGE 6 OF 26

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES													
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(1,344,356)	(1,185,157)	(1,111,728)	(1,066,411)	(841,200)	(808,286)	(822,801)	(782,673)	(603,018)	(527,584)	(524,214)	(1,025,388)	(11,843,225)
3. TOTAL REVENUES	(1,344,356)	(1,185,157)	(1,111,728)	(1,066,411)	(841,200)	(808,286)	(822,801)	(782,673)	(603,018)	(527,584)	(524,214)	(1,025,388)	(11,843,225)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	34,674	34,674	34,674	34,674	34,674	34,674	34,674	34,674	34,674	34,674	34,674	34,674	416,087
5. CONSERVATION REVENUE APPLICABLE	(1,309,684)	(1,150,483)	(1,077,052)	(1,031,737)	(806,526)	(773,612)	(788,127)	(747,999)	(568,344)	(492,910)	(489,540)	(990,714)	(11,227,138)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	1,240,652	1,261,351	1,054,485	1,253,544	1,111,516	943,425	1,204,801	1,345,157	886,772	1,143,593	977,105	1,368,517	13,079,529
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(69,032)	110,868	(22,557)	(62,209)	206,991	(230,187)	416,475	497,156	127,426	350,283	87,585	315,793	1,852,391
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	1,322.00	1,269	1,300	1,253	1,524	1,459	1,864	3,151	4,039	4,575	5,085	5,484	32,216
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	416,087	313,104	380,588	334,827	383,413	507,353	273,851	657,418	1,123,051	1,219,843	1,540,028	1,598,004	416,087
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(34,674)	(416,087)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	313,104	380,558	334,827	383,413	507,353	273,851	657,418	1,123,051	1,219,843	1,540,028	1,598,004	1,884,807	1,884,807

Exhibit 2: Interest Provision

COMPANY: CONSOLIDATED FLORIDA PUBLIC UTILITIES & FLORIDA CITY GAS

SCHEDULE CT-3
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EXHIBIT NO. _____
DOCKET NO. 20280004-GU
CONSOLIDATED: FPUC & FCG
(KIL-1)
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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)	416,087	313,104	380,558	334,627	363,413	537,353	273,951	857,416	1,123,051	1,219,643	1,540,028	1,508,004	416,087
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B8+B9A+B10)	311,782	369,298	333,327	352,160	535,729	272,482	655,752	1,119,800	1,215,804	1,535,453	1,582,919	1,679,123	1,852,391
3. TOTAL BEG. AND ENDING TRUE-UP	727,869	702,402	723,885	686,787	899,142	809,845	929,702	1,777,315	2,338,855	2,755,296	3,132,946	3,477,526	2,268,477
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	363,934	351,201	361,943	343,393	449,571	404,923	464,851	888,658	1,169,428	1,377,648	1,566,473	1,738,563	1,134,239
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%	4.08%	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%	4.08%	3.91%	3.88%	3.89%	
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%	7.87%	
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)	1,322.00	1,260.00	1,300	1,253	1,624	1,458	1,684	3,151	4,039	4,575	5,083	5,484	32,216