

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 20, 2022

TO: Office of the Commission Clerk

FROM: Todd M. Brown, Chief of Auditing, Office of Auditing and Performance Analysis *TB km Pkt*

RE: Docket No.: 20220004-GU
Company Name: Florida City Gas
Company Code: GU602
Audit Purpose: A3e: Natural Gas Conservation Cost Recovery
Audit Control No.: 2022-024-1-3

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.

TMB/cmm

Attachment: Audit Report

cc: Office of Auditing and Performance Analysis File.

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 20, 2022

TO: Office of the Commission Clerk

FROM: Todd M. Brown, Chief of Auditing, Office of Auditing and Performance Analysis *TMB km Pdt*

RE: Docket No.: 20220004-GU
Company Name: Florida City Gas
Company Code: GU602
Audit Purpose: A3e: Natural Gas Conservation Cost Recovery
Audit Control No.: 2022-024-1-3

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.

TMB/cmm

Attachment: Audit Report

cc: Office of Auditing and Performance Analysis File.

State of Florida



Public Service Commission

Office of Auditing and Performance Analysis

Bureau of Auditing

Tallahassee District Office

Auditor's Report

Florida City Gas

Gas Conservation Cost Recovery Clause

Twelve Months Ended December 31, 2021

Docket No. 20220004-GU

Audit Control No. 2022-024-1-3

July 15, 2022

Handwritten signature of Hymavathi Vedula in black ink.

Hymavathi Vedula

Audit Manager

Handwritten signature of Marisa N. Glover in black ink.

Marisa N. Glover

Reviewer

Table of Contents

Purpose..... 1

Objectives and Procedures..... 2

Audit Findings

 None..... 4

Exhibit

 1: True Up..... 5

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 24, 2022. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Florida City Gas in support of its 2021 filing for the Gas Conservation Cost Recovery Clause in Docket No. 20220004-GU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Utility refers to Florida City Gas.

GCCR refers to the Gas Conservation Cost Recovery Clause.

Revenue

Objectives: The objectives were to determine the actual therm sales for the period January 1, 2021, through December 31, 2021, and whether the Utility applied the Commission-approved cost recovery factor to actual therm sales.

Procedure: We computed revenues using the factors in Order No. PSC-2020-0436-FOF-GU, issued November 16, 2020. We calculated actual therm sales from the Gross Margin Report, and reconciled them to the general ledger and the GCCR filing. We selected a random sample of residential and commercial customers' bills and recalculated each to verify the use of the correct tariff rate. No exceptions were noted.

Expense

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

Procedures: We traced expenses in the filing to the general ledger. 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 related to the GCCR. We traced cash incentive payments to allowances approved in Order No. PSC-2010-0551-PAA-EG, issued September 2, 2010, and in Order No. PSC-2014-0039-PAA-EG, issued January 14, 2014. 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

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, 2020, True-Up Provision to the Commission Order. We recalculated the True-Up and Interest Provision amounts as of December 31, 2021, using the Commission-approved beginning balance as of December 31, 2020, the Financial Commercial Paper rates, and the 2021 GCCR revenues and costs. No exceptions were noted.

Analytical Review

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

Procedures: We compared 2021 to 2020 revenues and expenses. There were no significant variances. Further follow-up was not required.

Audit Findings

None

Exhibit

Exhibit 1: True Up

SCHEDULE CT-3
PAGE 4 OF 5

EXHIBIT NO. (MB-1)
COMPANY: FLORIDA CITY GAS
Natural Gas Conservation Cost Recovery
DOCKET NO. 20220004-GU

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR THE PERIOD JANUARY 2021 THROUGH DECEMBER 2021
2021 FINAL TRUE-UP

CONSERVATION REVENUES	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
1. RCS AUDIT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. OTHER PROG. REVS.	-	-	-	-	-	-	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS.	(636,860)	(616,175)	(551,211)	(593,538)	(518,252)	(512,974)	(477,684)	(483,539)	(466,074)	(489,218)	(485,249)	(583,420)	(6,413,993)
4. TOTAL REVENUES	(636,660)	(616,175)	(551,211)	(593,538)	(518,252)	(512,974)	(477,684)	(483,539)	(466,074)	(489,218)	(485,249)	(583,420)	(6,413,993)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	82,472	82,472	82,472	82,472	82,472	82,472	82,472	82,472	82,472	82,472	82,472	82,472	749,669
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(574,188)	(553,702)	(488,738)	(531,065)	(455,780)	(450,502)	(415,212)	(421,068)	(403,601)	(428,745)	(422,778)	(520,948)	(5,664,324)
7. CONSERV. EXPS.	304,530	264,456	392,550	636,321	481,652	680,820	614,594	479,423	533,884	544,333	402,914	1,086,316	6,421,893
8. TRUE-UP THIS PERIOD (over)/under	(269,658)	(269,247)	(96,186)	105,256	25,872	230,419	199,383	58,356	130,283	117,588	(19,862)	565,368	757,568
9. INTEREST PROV. THIS PERIOD	78	39	21	14	14	16	27	30	31	42	41	52	406
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	749,669	417,617	65,936	(92,704)	(49,906)	(86,493)	81,469	218,407	214,321	282,162	337,320	255,027	749,669
Deferred True-up COLLECTED/(REFUNDED)	533,692	533,692	533,692	533,692	533,692	533,692	533,692	533,692	533,692	533,692	533,692	533,692	533,692
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(82,472)	(749,669)
12. TOTAL NET TRUE-UP	951,308	599,628	440,988	483,786	447,199	615,161	752,099	748,013	815,854	871,012	788,719	1,291,666	1,291,666