

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 29, 2006
TO: Catherine S. Beard, Regulatory Analyst I, Division of Competitive Markets & Enforcement
FROM: Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance & Consumer Assistance *W*
RE: **Docket No:** 060003-GU; **Company Name:** Florida City Gas
Audit Purpose: Audit Gas Conservation Filings
Audit Control No: 06-076-4-1

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 the response to the Division of Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

DNV:bj
Attachments

Copy: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)
Division of Commission Clerk & Administrative Services (2)
Division of Competitive Markets and Enforcement (Harvey)
General Counsel
Office of Public Counsel

Mr. Charles A. Rawson, III
Florida City Gas
955 East 25th Street
Hialeah, FL 33013-3498

Akerman Law Firm
Beth Keating
106 E. College Ave., Suite 1200
Tallahassee, FL 32301

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF REGULATORY COMPLIANCE AND
CONSUMER ASSISTANCE
BUREAU OF AUDITING*

Miami District Office

**Florida City Gas Company
Purchased Gas Adjustment Clause Audit
Limited Scope Audit**

Twelve Months Ended December 31, 2005

**DOCKET #060003GU
AUDIT CONTROL NO. 06-076-4-1**

A handwritten signature in cursive script, reading "Ruth K. Young".

**Ruth K. Young
Audit Manager**

A handwritten signature in cursive script, reading "Kathy Welch".

**Kathy Welch
Public Utilities Supervisor**

I. WORK PERFORMED

REVENUES: We verified that the revenues contained in the Company's General Ledger are reflected on Schedule A-2.

We tested a sample of customer bills to verify that the appropriate PGA factor was charged.

EXPENSES: We attempted to verify that the expenses contained in the Company's General Ledger agreed with Schedule A-2. However, the schedule did not agree because starting in October, the company began recording the prior and current period true-up in the cost of gas account number 610030. The filing is correct and was able to be reconciled to the ledger.

TRUE-UP: We recomputed the true-up for the period. We verified that the beginning true-up amount and interest rates as stated by the Company on the January A-2 filing were approved by the Florida Public Service Commission. The monthly true-up amounts, as recorded on Schedule A-2, were reconciled to the General Ledger.

We recomputed the final true-up filing, Schedule A7. The amounts on A-7 were agreed to the December cumulative A-2 and to appropriate Commission orders.

II. EXHIBITS

Company Schedule A-7 for 2005
Company Schedule A-2 for December 2005

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY	SCHEDULE A-7
FOR THE PERIOD:		JANUARY 05	Through DECEMBER 05
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2 Line 3	\$44,300,710
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	A-2 Line 6	\$42,451,184
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)	A-2 Line 7	(\$1,849,526)
3a	ADJUSTMENTS	A-2 Line 10a	\$490
3b	OSS 50% MARGIN SHARING	A-2 Line 10b	\$0
4	INTEREST PROVISION	A-2 Line 8	\$69,900
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)		(\$1,779,136)
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 05 Through DECEMBER 05 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 06 through DEC 06)		(\$3,439,924)
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 07 Through DEC 07) (Line 5- Line 6)		<u>\$1,660,788</u>

#2

Exhibit ____ (TK-1)
Docket No. 060003-GU
City Gas Witness Kaufmann

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
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