

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-**

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**DATE:** July 13, 2005  
**TO:** Wayne Makin, Division of Competitive Markets and Enforcement  
**FROM:** Denise N. Vandiver, Chief, Bureau of Auditing *DNV*  
Division of Regulatory Compliance and Consumer Assistance  
**RE:** **Docket No.:** 050003-GU; **Company Name:** Florida City Gas; **Review Purpose:** Reconcile PGA filing to general ledger; **Control No.:** 05-039-4-1

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Attached is the report for the utility stated above. I am sending the utility a copy of this memo and the report. If the utility desires to file a response to the report, it should send the response to the Division of the Commission Clerk and Administrative Services. There are confidential work papers associated with this report.

DNV/jcp  
Attachment

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

Gary V. Perko, Esq.  
Hopping Law Firm  
P. O. Box 6526  
Tallahassee, FL 32314

Ms. Rosie Abreu  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK



**FLORIDA PUBLIC SERVICE COMMISSION**

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

***Miami District Office***

**Florida City Gas Company  
Purchased Gas Adjustment**

***Limited Scope Report***

**Twelve Months Ended December 31, 2004**

**DOCKET #050003-GU  
AUDIT CONTROL NO. 05-039-4-1**

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**

We performed the following work and found no accounting differences to report. We are disclosing the adjustment made by the company in compliance with Order No. PSC-04-1182A-FOF-GU.

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

Tested a sample of customer bills to verify that the appropriate PGA factor was charged, and that the rates were not over the cap ordered by the Commission.

**EXPENSES:** Verified that the cost of gas contained in the Company's General Ledger are reflected on Schedule A-2.

**TRUE-UP:** Recomputed true-up for the period. Verified that the beginning true-up amount and interest rates as stated by the Company agreed to the beginning true-up for the year ended December 31, 2003 and that any subsequent adjustments ordered by the Commission were included in the true-up. Interest rates used by the Company were agreed to the Wall Street Journal.

## **II. DISCLOSURES**

### **DISCLOSURE 1**

**SUBJECT: ADJUSTMENT ORDERED BY THE COMMISSION**

**STATEMENT OF FACTS:** In order number PSC-04-1182A-FOF-GU, the company was ordered to increase its projected January through December 2005 true-up by \$2,683,244 plus \$209,997 interest, for a total of \$2,893,341. The Company included the total in its September 2004 beginning balance.

### **III. EXHIBITS**

## Kathy Welch

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**From:** Denise Vandiver  
**Sent:** Friday, July 01, 2005 2:28 PM  
**To:** Kathy Welch  
**Subject:** FW: Telecommuting Agreements - Critical Review and Execution of New Agreements to be effective for one year.

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**From:** Dan Hoppe  
**Sent:** Monday, June 27, 2005 8:39 AM  
**To:** Denise Vandiver; Janet Harrison  
**Subject:** FW: Telecommuting Agreements - Critical Review and Execution of New Agreements to be effective for one year.

Do we have copies handy for all the agreements for the district office staff? Denise we will need to discuss some of this. Thanx, Dan

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**From:** Mary Bane  
**Sent:** Friday, June 24, 2005 4:09 PM  
**To:** Blanca Bayo; Dan Hoppe; Beth Salak  
**Cc:** Chuck Hill; Betty Ashby; Diane Lee  
**Subject:** Telecommuting Agreements - Critical Review and Execution of New Agreements to be effective for one year.

As part of our review of current telecommuting agreements, please critically review the existing agreements for staff in your division. If you believe that those agreements continue to be appropriate, please do the following:

1. Provide to me, with copy to Chuck Hill, a brief explanation for each employee of how the telecommuting benefits the agency. Also, for the district offices, (a) please explain when, if ever, all staff are required to be at the office for group meetings, etc., (b) how often the supervisor meets with an auditor/auditors during major audits, and (c) explain the rationale for a supervisor being approved to telecommute.
2. For each employee, execute a new agreement, requiring that the form be completed in its entirety.

This will require that specific times/days be designated for "At Official Office Site", with a signed flex schedule showing hours of work for each day attached to the form.

For the "At Telecommuting Location", either put specific days or indicate: "Will be determined by immediate supervisor based on assigned workload." ["Varies" or "As needed" is not an acceptable response.]

3. If telecommuting for a specific employee is to continue, a new agreement should be executed, effective July 1 of each year.

	CURRENT MONTH: 12/04		DIFFERENCE		PERIOD TO DATE		DIFFERENCE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	ACTUAL	ESTIMATE	AMOUNT	%	ACTUAL	ESTIMATE	AMOUNT	%
<b>TRUE-UP CALCULATION</b>								
1 PURCHASED GAS COST (Sch A-1 Flx down line 4+6)	3,420,274	3,153,828	(266,446)	-8.45%	24,605,001	23,319,378	(1,285,623)	-5.51%
2 TRANSP GAS COST (Sch A-1 Flx down line 1+2+3+5)	935,891	902,071	(33,820)	-3.75%	8,442,856	8,021,551	(421,305)	-5.25%
3 TOTAL	4,356,165	4,055,899	(300,266)	-7.40%	33,047,857	31,340,929	(1,706,928)	-5.45%
4 FUEL REVENUES (Sch A-1 Flx down line 14) (NET OF REVENUE TAX)	3,457,476	4,054,035	596,559	14.72%	32,608,923	31,321,991	(1,286,932)	-4.11%
5 TRUE-UP (COLLECTED) OR REFUNDED	(41,222)	(41,222)	-	0.00%	(494,587)	(494,587)	-	0.00%
6 FUEL REVENUE APPLICABLE TO PERIOD * (LINE 4 (+ or -) LINE 5)	3,416,254	4,012,813	596,559	14.87%	32,114,336	30,827,404	(1,286,932)	-4.17%
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(939,911)	(43,086)	896,825	-2081.48%	(933,521)	(513,525)	419,996	-81.79%
8 INTEREST PROVISION-THIS PERIOD (21)	7,121	(536)	(7,657)	1428.54%	31,973	(3,894)	(35,867)	921.08%
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	4,197,187	(281,373)	(4,478,560)	1591.68%	819,239	(260,941)	(1,080,180)	413.96%
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	41,222	41,222	-	0.00%	494,587	494,587	-	0.00%
10a ADJUSTMENTS	-	-	-	---	2,893,341	-	(2,893,341)	---
10b OSS 50% Margin Sharing (Line 39, Page 11)	-	-	-	---	-	-	-	---
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a+10b)	3,305,619	(283,773)	(3,589,392)	1264.88%	3,305,619	(283,773)	(3,589,392)	1264.88%
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9+10a)	4,197,187	(281,373)	(4,478,560)	1591.68%	* If line 5 is a refund add to line 4 If line 5 is a collection ( ) subtract from line 4			
13 ENDING TRUE-UP BEFORE INTEREST (12 + 10b + 7 - 5)	3,298,498	(283,237)	(3,581,735)	1264.57%				
14 TOTAL (12+13)	7,495,685	(564,610)	(8,060,295)	1427.59%				
15 AVERAGE (50% OF 14)	3,747,843	(282,305)	(4,030,148)	1427.59%				
16 INTEREST RATE - FIRST DAY OF MONTH	0.02220	0.02220	-	0.00%				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.02340	0.02340	-	0.00%				
18 TOTAL (16+17)	0.04560	0.04560	-	0.00%				
19 AVERAGE (50% OF 18)	0.02280	0.02280	-	0.00%				
20 MONTHLY AVERAGE (19/12 Months)	0.00190	0.00190	-	0.00%				
21 INTEREST PROVISION (15x20)	7,121	(536)	(7,657)	1428.54%				