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:

May 6, 2020

TO:

Office of Commission Clerk

FROM:

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

RE:

Docket No.: 20200001-EI

Company Name: Florida Public Utilities Company

Company Code: EI803

Audit Purpose: A3a: Fuel Cost Recovery Clause

Audit Control No: 2020-007-1-3

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 Commission Clerk. There are no confidential work papers associated with this audit.

LMD/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 Public Utilities Company Fuel and Purchased Power Cost Recovery Clause

Twelve Months Ended December 31, 2019

Docket No. 20200001-EI Audit Control No. 2020-007-1-3

April 27, 2020

Thomas Wolff Audit Manager

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 Accounting and Finance in its audit service request dated January 2, 2020. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Florida Public Utilities Company in support of its 2019 filing for the Fuel and Purchased Power Cost Recovery Clause in Docket No. 20200001-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

FPUC/Utility refers to the Florida Public Utilities Company.

FAC refers to the Fuel and Purchased Power Cost Recovery Clause.

Revenue

Objectives: The objectives were to determine the actual Kilowatt Hours (KWH) sold for the period January 1, 2019, through December 31, 2019 and whether FPUC applied the Commission approved cost recovery factor to actual KWH sales for the FAC.

Procedures: We computed revenues using the factors in Order No. PSC-2018-0610-FOF-EI, issued December 26, 2018 and actual KWH sales from the Fuel Revenue Reports and reconciled them to the general ledger and filing. We selected a random sample of residential and commercial customers' bills for the period and recalculated each to verify the use of the correct tariff rate. No exceptions were noted.

Expense

Objectives: The objectives were to determine whether expenses listed on the FAC filing are supported by adequate documentation and that the expenses are appropriately recoverable through the FAC and meet the criteria in Order 14546, issued July 8, 1985. In addition, we were to determine whether the energy payments to qualifying facilities are based on the appropriate standard offer or negotiated contract rate.

Procedures: We traced expenses in the filing to the general ledger. We judgmentally selected a sample of 2019 expenses for testing. The source documentation for selected items was reviewed to ensure the expense was related to the FAC and that the expense was charged to the correct account. No exceptions were noted.

True-up

Objective: The objective was to determine if the True-Up and Interest Provision as filed on Schedule C-1 was properly calculated.

Procedures: We traced the December 31, 2018, True-Up Provision to the Commission Order. We recalculated the True-Up and Interest Provision amounts as of December 31, 2019, using the Commission approved beginning balance as of December 31, 2018, the Non-financial Commercial Paper rates, and the 2019 FAC revenues and costs. No exceptions were noted.

Analytical Review

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

Procedures: We compared 2019 to 2018 revenues and expenses. There was a 16.97% increase Non-Fuel Revenues between 2018 and 2019 and a 40.43% decrease in Special Costs/Other Fuel Related Costs from 2018 and 2019. The 16.97% increase was due to Total Sales Revenues for January 2019 being estimated based on January 2018 data. Costs were lowered due to residual adjustments pertaining to the hurricane. The 40.43% decrease was due to work being performed and completed by outside companies in 2018 which made the costs significantly higher in 2018 than 2019.

Audit Findings

None

Exhibit

Exhibit 1: True-Up

			تويم ورسوور			CLC PRIMESO		Lab. 24 anns	****	SAL DI				terms ()
		caa	ATELO AGO	Marie dela		***************************************	4 1400 CECE		M835.U466	erro.				
								2319						
	_		Tax.	***		रूप बॅलिस	Simple Trans	75	==	Total Total	TOBOT!	- CO-	1907	- Alban
Non-termination and and and and and and and and and an		1:00:50	1945.007	120	1 4022	44.3°7.463 448.000 139.000	C000000	50.50 50.50	*40,000	44 4003	200,000	478,000	1800	8.230.000
	n tan	Pr4 5∏4 Œ• 1∑1	17.275	78.50	1 (204, 750	CD TO	440-503 253 768	91 7mm 920 439	8) e B d2 537 (200)	178.400	20.000 401.107	4E 113	124E	130A-00 1417/14
-		11 764 408	\$ \$41,600 7 377,540	1.480.003	14.334.5*4 3.337.611	18.338 139	12.755.33+ 4.876.331	11,000	13,853,100	10100	PARTERS 1	FOED 34.9 ISPALLE INTO	11500m	40 843 714 97 344 937
	5	6/26/20 20 20 40 1	a Tel Bid	2 ET 20	104.236	A LEAGUE	10 ET 43	17370 700	- CHS1	11.002.64 S	1.73×230 25.472.201	10.207 In 000.419	20 to 100	1975.40 20014.80
	30	14.320	18.318.402	4.033	19.301.255	1400	4.23	V4-53K	15.500	4000	94.600	14,000	14.000	(8.20)
NP, STORY CONNECT OFFI - JAMES - AND - JAMES		23 ME1 C	27.713 27.57	24 PC	21 834 83 144 91 080	11 11 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	91 Per 91 JUS	61 (80) 56 806		7.63	HEAD HEAD	40,000	F 600	0 16 1 23
turn try here in	_	9° 200 17 646	95.05 95.05	17.000 24.000	91 GED 14 CP4	64.63.	64 123 64 123	11 (M)	7 55 78.782	11211	5.4	= 20	9.60 9.64	95,33
Particular Particular States Particular Particular - S		1571	5-33479	0.33180	100	C 272790	16579	129.4	LOW	0.33340	100	6 03E% 8 03e#4	0472349	
Same Conference Same Conference Charles	CONTRACTOR OF THE PARTY.	3.0204	C 23714	0.23974	E (2004)7 E (2004)	E-CEPT 1 T E-CEPT E	8 CANDS 0 COMM	8 650mm 8 650mm	E COMET	0.13CM	A CREET	1.000+4 1.000+4	0:8349r 0:83344	
Oper Page Avenue A	Mariana D. Address	1 (27-94 3 (23-44	0/10/20 6/12/40	03176	2 EMBET	LCT-COL	461136	16134	\$ (1535) ·	1 37637	EST'813 26732.8	8,00746 8,00071	10334 10340 10340 1034	
PR 100 B000	* 4041	3.000m	E-MEN	0.00	6.000-C	1200	4004	8 000-d	LODGE LONGE	£ 30340	8.5539-R 8.56277	1000	LOTTE	
M 200 M 100 -200	à Mes à Mes	100-6	1 E-10)	@p4## @201#P	F1231-2	\$42.43 \$42.43	G ENGS	20419	i Coret	comi	2077	127:3	C 821118	
COLUMN THE NAME OF		10.79	12 79	477	1075 545	16.19	97	10.79	1279	1179	1079	13.70	16 10	
provided - 2 provided - 2	HERY (LOID) Design Section	100	1 1040	1 84-08	• 65.666	144 18400	1.844	1 (5) (3)	4 di 45-69	1.4E (4640)	6-4 1 #5-40 4 heaps	1.23	1.00	
the land to the same	J	10404	2-3638	23438	1 (413)	4 (3487)	294038	13453	15400	1 85-00 6-0-636	4 44006	1,040	LO-134	
د مدر همچندهدا کنا دا دوونده رسیده		120000	12.67330	0.000	13 80000	-1 40m/o	12 80000	1/ 80778	12.0000	.34000	12 80003	12,600000	1820	
THE OF SHAPE		321833 C-170,666	10000	100000	F (2022)	COLORA) 3 th 27 (G7707709	10004	100000		\$1,000,000 \$1,000) (**EX	0000000	
Name :	-	29 794	9.50	D 123	31438	30	2175	,244	3 60	16.231	7.308	4564	AUCO	277.140
	Square Square (set Eggarage/ve Same	4 20	1.94	F 860	(1730) 1341/7)	44.392 1.274.344	1177	11400	4 75	TELM TELM	1178728	187	1,100,000	13 14.44
	Au bas for som	120124	950,000 940,960	190.40	982 (RS)	1372f	1 176, 124 1 and 140 234, 124	34.61	15518	14850	130177	1867 179	1 19 253	1 120 125
	17. has no man rich	X1 44	101,750	4 152	21.278	223.54	27,40	-Q 188	47001	*0.5%	235,450	20	10.54	1 647 Din
	bank far Com):1241	YOUR	- 19% -	1400	1:515	171177	1kim.	1,587,000	1,147,44	ike i	1 4100	This is	-
	FR, Davison Charge Floor FR, Davison Charges and	781 CBC	TE 1960 TED 419	126 546	116 Gart 116 Gart 06 363	124 (280) (Ka. 141	14.416 STACES	191.000	10 (32)	141 Jahr	*#L000	116,113	100.00	3 820 753
	IP and the Page	1.000	# #E2 #.537	2777 2003	1,000	1 100	130,600 LOU	112 145	1.02	134 AGD 2006 \$	492	1000	9.43	72.20
		178-800	TARK	\184823 198.18*	100.00	1 (da 302) 37 (54	1184801	174.300	1 : BA (ET)	1:44.500 (84.60)	1104,000	1 184 003	1364403	12877 830
	Service and plants	1984	2:41	1.540	1 702	1.730	1(2) 1(3) 1(3)	3556 363	1167	3 164	2514	10110	1 700	25. TE
	الجديد تن ثبية الحدي الجديد الجديد الحديدة	N. 293 779	94 220	₩# <u>#55</u>	r zu	***	790	779	₩ 233 FT	# 253 773	#1333 713	94 383 773	H JAD	7,302
		31 AES	17 13a 6,308	. (mg	*16XT	21 310 7 11	12.670	34 662 14747	-4 600 July 112	23.23° 13.130	15,163	14367	:1 (70a 1 133)	232,369 \$1,463
		1 627 hs			111-172	18920	1000 MA	104.04	YOUNG	737005	14476	1,750	urio:	
Teaching Springs & Aurolas Cone Teaching Street Cone Local Countries Street Street Teaching Street		찚뀙	un o	C See	74	183	150	(DE 10)	LAN.	改		150	CHUTH.	_ 7/8/47
	-	- 372	1912			1383	THE STATE OF	221.578			- 33	- 222	PI 700	- 22
-			0	a				2		4	160	a		
*******	·	1900	187.9	41839	<u>-</u>	- <u>1879</u>	038	136	170.0	- MIG	1 120	- CA	100	DEED!
	~~~~	1771.451	' PILM!	14412	1 47,000	1 3534 1697	- O'L 112.	VEY 830	120 80	1 100.57	1.637.531	1844D	1367.601	Dan St
	4 14/44	193.00°	\$15,744	177.837 See 133	20.70	284 LS3	120.70	1,374,700	22.M	18°(182)	GI2.E71	474,200	943.30F	SUCLARI SUCLARI
<b></b>	E-PICE E-PICE E-MICH	1121,030	570,160 1,000,106	<b>1-4 S</b> 27	1581, 1949 1 (0071,0041	120.00	(45),830	1 Also well	100.004	1 300,304	1344,507	10.00	384.437	CILLAD
8840 18	B ANESI B OEBAT	थ्यो १७६ यो व्ह	643.400 47.461	(7.70 UBU	104,000	424	44,463	648,000 002 00	175.00	13' 113 21,434	100 AC1	143 AET 43,375	43177	1 ecteds traces
		0.26.323	110.0	5 10 60	1 845 1 10	-	BH 34	MID	4.043	1130.670		<b>573.5</b> 71	147.234	11 E74 443
مان کار المان	we for Arts!	1.86.166	6 2.30. F13	31249	LITZAG	1902-3607 1 * CO-E 6	279.EB	10.20	RETT EET	4 .0.125	765405 5,000,074 310,664	1.000.000 17.475	U11 117	U 100 HT
ميده ميد ميده معادمة مداجعة		1212	137/20	2.718.84	100	#1.44° 1 pm. (0°) 1 8256-24	- <del>(1)</del>		Linis	130		100	182	nactor.
-			18034	- hara										
~~	# ·===	C see 1500	17 822 911 425 825 6	16 315 7Ca 2452 CC3	14 454 CF9 245 256 1	17 143 115	23 FFE-28	17.000° tr	22.200 7% 78.130.007	78,478,428 13 145,446	12 140 760 6.84 200	M.BASS ARSAS	FENTS.	WARD CON
		14500	180+ 810 11 800-41	1203	3 463 MG	101100 MC 0711	1723AP	12/2340	1544.00	1.011,003 17.001,003	0.841,201 0.681,744	ABA JE	SESSET SESSET	10.00
	-	6.79L0D	1 431/100	3.303.170	6 137 1637 - 23 8 2025	1.00	14343E3 7963.64 1443.63	7.3351384 2.530.350	/ MOA.200 8,00 830	1 100.00	14,500 per 6,004,700 8,780,000	4,5000	655 E20 655 E2	M 442.577 M 440.678
	4	(CE-42)	\$.700.00F 62t / 85	(45 20) (15 20)	CF 40	CM 233	647.0	G-7U	CT CO	W 27	CH 36.	4100	G1 45	759 13
	-	A ALLYY	416 N. S.	Main	a en m	4>:40	CERATH	(a + (a)	MULDI	atti St	NAME OF	IZE4 ME		
Parkerson Com	•	1 200 500	152.01	111050	117.8D	3 846 757	475404	ine	ARVLET	410.70	BATTLEPS.		4314121	27 153.017
		.22	150		22.814	23.64	LEAD I	E238-4	10.5	228.514	ERE	The	122.04	AUG 777
70		1 606 776	422 00	1007	4.002.000	16.000	44870	+400.00	\$203.00	2.171.800	179.00	2104 177	130-340	11.07.40
THE PERSONNEL PROPERTY OF THE PERSONNEL PROP		1771703	13412	7 24 274		- 100	1:0/0	217.72	- 54	\$ 000 790	100	de se		* B
terror frame in review		3.635	6.4211 1174 (1840)	4.75	-/7 6731 44 XITE 7456	0 may 05 m	17370	CENTER.	0.47) (3.34) 736)	(JD)	(579 (1986/10s)	CERT CONTRACT		1 462 20
territories to have	_	130 P	STOP4	7375.5E	23.57	- 25	- 地震	HTM94	17.87 AT			770	一组从	2417.7
Suprey Public on Drawy Public States		TOLISM T	(2.94C/ED) (4.371.711) (4.333.783)	25 M	A SECTION	33337	13836/37	01100		20,333	AMA PARTE	119664 147 200	re tolk	
		E-61419	(4335-763) (4347-473) (4375-757)	42741373	C Atm 797	# AT 282 0 801 850 8 982 375	(7.17z.7th	615/4	- 12 CIM BHG-	3 60.413	(754,80%	(97.15)	1720-4571 (7800 344)	-
		2.144.XB 2.46074	3 (3374	(2 337 DRM) 3 438294	(2.957,205 2.45904 (7.967)	0 967 318	1,000,225	13454	11 MA 4674	1,000,010	(977,166)	1 2000	1 80004	1 CM
		Acon	A 471	4.5		C 200	17.57	M 804	3.67	11 1725	672	(22)		

5