



## FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC. – FKEC

91630 OVERSEAS HIGHWAY, P.O. BOX 377, TAVERNIER, FL 33070-0377 PHONE (305) 852-2431 FAX: (305) 852-4794

March 1, 2024

Ms. Elisabeth Draper  
Bureau of Electric Rates  
Division of Electric and Gas  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Dear Ms. Draper:

Florida Keys Electric Cooperative Association, Inc. (FKEC) is submitting the Formula Revenue Requirement Rider Schedule FRR-1, which details the 2024 kilowatt-hour revenue adjustment to be implemented effective April 1, 2024.

The 2024 Formula Revenue Requirement Rider Schedule FRR-1 is in accordance with FKEC's 2007 filing approved by the State of Florida Public Service Commission on May 18, 2007, Authority No.: CE-07-009.

Additionally, FKEC has enclosed documentation supporting the adjustment to revenues pursuant to the Formula Revenue Requirement Rider Schedule FRR-1.

The supporting documentation consists of:

- 1) A copy of FKEC's Revenue Adjustment to 2024 revenues based on Application of Formula Revenue Requirement Rider (Attachments A and B) and
- 2) A copy of FKEC's February Board Meeting Minutes approving the 2024 Formula Revenue Requirement Rider Schedule FRR-1.

FKEC will e-file the tariff via the Commission's website-provided instructions.  
<http://www.floridapsc.com/ClerkOffice/EFilingRequirements>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Newberry".

Scott Newberry  
Chief Executive Officer

Attachments

~~Sixteenth~~ Seventeenth Revised Sheet No. 8.5  
 Canceling ~~Fifteenth~~ Sixteenth Revised Sheet No. 8.5

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.4)

**Attachment A**  
**Florida Keys Electric Cooperative Association, Inc.**  
**Revenue Adjustment Based On Application**  
**Of Formula Revenue Requirement Rider**

Attachment A

**Proposed Rate Adjustment to 2023 Revenues**

Line No.	Rate Group	(a) Existing Revenues	(b) Proposed Increase	(c) Proposed Revenues	(d) Percent Change
1	Residential	65,520,364	2,057,216	\$67,577,580	3.14%
2	Commercial	15,268,525	479,403	\$15,747,928	3.14%
3	Industrial	23,756,061	745,895	\$24,501,956	3.14%
4	Street Lighting	147,365	4,627	\$151,992	3.14%
5	Public Authorities	6,525,087	204,875	\$6,729,962	3.14%
6	Total Metered Sales	111,217,402	3,492,017	\$114,709,418	3.14%
7	Other Misc. Revenues	3,119,528	\$0.00	\$3,119,528	
8	Total Operating Revenues	114,336,930	3,492,017	117,828,946	

Notes:

- 1 Proposed revenue increase for FRR-1 will be \$.016527 per kWh, based on 2022 kWh's sold.
- 2 Increases/Decreases are spread to rate groups based on existing revenues.
- 3 Line 8 (b) is taken from Attachment B Schedule 4 Line 7 (a).

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.6)  
 Effective: ~~April 1, 2023~~ April 1, 2024

~~Sixteenth~~ Seventeenth Revised Sheet No. 8.6  
 Canceling ~~Fifteenth~~ Sixteenth Revised Sheet No. 8.6

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.5)

**Attachment B**  
**Formula Revenue Requirement**  
 Florida Keys Electric Cooperative, Inc.  
 Rate Base and Existing Return Calculation  
 December 31, 2022

**Attachment B**  
**Schedule 1**

Line No.		(a) Actual per Books	(b) Adjustments	(c) Adjusted Results	(d) Source
1	Utility Plant	\$227,703,664		\$227,703,664	RUS Form 7
2	CWIP	\$9,107,320		\$9,107,320	RUS Form 7
3	Accumulated Depreciation	-\$55,088,416		-\$55,088,416	RUS Form 7
4	Net Plant in Service	\$181,722,568		\$181,722,568	Sum of Lines 1-3
5	Materials & Supplies	\$5,019,122		\$5,019,122	RUS Form 7
6	Prepayments	\$303,756		\$303,756	RUS Form 7
7	Cash Working Capital [See Note (b)]	\$3,141,843		\$3,141,843	See Note B
8	Deferred Debits	\$1,420,521		\$1,420,521	RUS Form 7
9	Customer Deposits	-\$6,557,752		-\$6,557,752	RUS Form 7
10	Deferred Credits	-\$89,306		-\$89,306	RUS Form 7
11	RATE BASE	\$184,960,752		\$184,960,752	Sum of Lines 4-10
12	Operating Revenues	\$114,336,933		\$114,336,933	RUS Form 7
	Operating Expenses				
13	Total Operation & Maintenance	\$98,717,495		\$98,717,495	RUS Form 7
14	Annual Depreciation	\$6,977,351		\$6,977,351	RUS Form 7
15	Property Taxes	\$1,041,243		\$1,041,243	RUS Form 7
16	Taxes - Other than Income	\$190,251		\$190,251	RUS Form 7
17	TOTAL OPERATING EXPENSES	\$106,926,340		\$106,926,340	Sum of Lines 13-16
18	RETURN	\$7,410,594		\$7,410,594	Line 12 - Line 17
19	RATE OF RETURN - OVERALL	4.01%		4.01%	Line 18 / Line 11

Notes:  
 (a) Schedule B and Schedule C  
 (b) As adjudicated in last rate case or as currently calculated. Adjusted amount=Line 12 less Purchased Power Cost \$73,582,749.61 \*.0125

::

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.7)  
 Effective: ~~April 1, 2023~~ April 1, 2024

~~Sixteenth~~ Seventeenth Revised Sheet No. 8.7  
 Canceling ~~Fifteenth~~ Sixteenth Revised Sheet No. 8.7

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.6)

Attachment B  
 Schedule 2

Florida Keys Electric Cooperative, Inc.  
 Rate Base and Existing Return Calculation  
 December 31, 2022

Line No.		(a) Capitalization per Books	(b) Capitalization Percentage	(c) Cost	(d) Weighted Costs
	EXISTING RETURN:				
1	Long-Term Debt	\$117,695,653	61.14%	4.47%	2.73%
2	Total Equity	\$74,800,684	38.86%	3.28%	1.27%
3	Total	\$192,496,337	100.00%		4.01%
	ADJUSTED RETURN:				
4	Long-Term Debt	\$117,695,653	61.14%	4.47%	2.73%
5	Total Equity	\$74,800,684	38.86%	8.14%	3.16%
6	Total	\$192,496,337	100.00%		5.89%
Note:	Long-Term Debt Incorporates Debt due				

::

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.8)  
 Effective: ~~April 1, 2023~~ April 1, 2024

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.7)

Attachment B  
 Schedule 3

**Florida Keys Electric Cooperative Association, Inc.**  
**Return Calculation**  
**December 31, 2022**

Line No.		(a) Cost	(b) Source
	BANDWIDTH CHECK		
1	Benchmark Return on Equity	8.14%	
2	Upper Bandwidth Return On Equity	8.64%	Benchmark ROE + 1%
3	Lower Bandwidth Return On Equity	7.64%	Benchmark ROE - 1%
4	Earned Return on Equity	3.28%	Schedule 2 Line 3 (c)
5	ROE Adjustment	4.86%	Adjustment ROE
6	Adjusted ROE	8.14%	Line 4 + Line 5
7	Adjusted Return On Rate Base	5.89%	Schedule 2 Line 6 (d)

::

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.9)  
 Effective: ~~April 1, 2023~~ April 1, 2024



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.4)

**Attachment A**  
**Florida Keys Electric Cooperative Association, Inc.**  
**Revenue Adjustment Based On Application**  
**Of Formula Revenue Requirement Rider**

**Attachment A**

**Proposed Rate Adjustment to 2024 Revenues**

Line No.	Rate Group	(a) Existing Revenues	(b) Proposed Increase	(c) Proposed Revenues	(d) Percent Change
1	Residential	58,179,362	2,497,377	\$60,676,739	4.29%
2	Commercial	13,129,976	563,611	\$13,693,587	4.29%
3	Industrial	21,272,169	913,118	\$22,185,287	4.29%
4	Street Lighting	178,597	7,666	\$186,263	4.29%
5	Public Authorities	5,644,070	242,274	\$5,886,344	4.29%
6	Total Metered Sales	98,404,175	4,224,047	\$102,628,221	4.29%
7	Other Misc. Revenues	3,459,316	\$0.00	\$3,459,316	
8	Total Operating Revenues	101,863,491	4,224,047	106,087,537	
Notes: 1 Proposed revenue increase for FRR-1 will be \$.021961 per kWh, based on 2023 kWh's sold. 2 Increases/Decreases are spread to rate groups based on existing revenues. 3 Line 8 (b) is taken from Attachment B Schedule 4 Line 7 (a).					

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.6)  
 Effective: April 1, 2024

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet 8.5)

**Attachment B**  
**Formula Revenue Requirement**  
**Florida Keys Electric Cooperative Association, Inc.**  
**Rate Base and Existing Return Calculation**  
**December 31, 2023**

Attachment B  
Schedule 1

Line No.		(a) Actual per Books	(b) Adjustments	(c) Adjusted Results	(d) Source
1	Utility Plant	\$240,977,494		\$240,977,494	RUS Form 7
2	CWIP	\$12,080,814		\$12,080,814	RUS Form 7
3	Accumulated Depreciation	-\$55,969,529		-\$55,969,529	RUS Form 7
4	Net Plant in Service	\$197,088,779		\$197,088,779	Sum of Lines 1-3
5	Materials & Supplies	\$6,005,189		\$6,005,189	RUS Form 7
6	Prepayments	\$366,756		\$366,756	RUS Form 7
7	Cash Working Capital [See Note (b)]	\$3,387,046		\$3,387,046	See Note B
8	Deferred Debits	\$1,074,779		\$1,074,779	RUS Form 7
9	Customer Deposits	-\$6,713,446		-\$6,713,446	RUS Form 7
10	Deferred Credits	-\$126,390		-\$126,390	RUS Form 7
11	RATE BASE	\$201,082,712		\$201,082,712	Sum of Lines 4-10
12	Operating Revenues	\$101,863,491		\$101,863,491	RUS Form 7
13	Operating Expenses				RUS Form 7
	Total Operation & Maintenance	\$84,978,089		\$84,978,089	
14	Annual Depreciation	\$7,574,576		\$7,574,576	RUS Form 7
15	Property Taxes	\$1,227,426		\$1,227,426	RUS Form 7
16	Taxes - Other than Income	\$163,456		\$163,456	RUS Form 7
17	TOTAL OPERATING EXPENSES	\$93,943,547		\$93,943,547	Sum of Lines 13-16
18	RETURN	\$7,919,944		\$7,919,944	Line 12 - Line 17
19	RATE OF RETURN - OVERALL	3.94%		3.94%	Line 18 / Line 11
Notes:					
(a) Schedule B and Schedule C					
(b) As adjudicated in last rate case or as currently calculated. Adjusted amount=Line 12 less Purchased Power Cost \$27,096,368.25 *.0125					



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.6)

Attachment B  
 Schedule 2

**Florida Keys Electric Cooperative Association, Inc.**  
**Rate Base and Existing Return Calculation**  
**December 31, 2023**

Line No.		(a) Capitalization per Books	(b) Capitalization Percentage	(c) Cost	(d) Weighted Costs
	EXISTING RETURN:				
1	Long-Term Debt	\$125,827,049	62.04%	4.58%	2.84%
2	Total Equity	\$76,974,606	37.96%	2.89%	1.10%
3	Total	\$202,801,655	100.00%		3.94%
	ADJUSTED RETURN:				
4	Long-Term Debt	\$125,827,049	62.04%	4.58%	2.84%
5	Total Equity	\$76,974,606	37.96%	8.42%	3.20%
6	Total	\$202,801,655	100.00%		6.04%
Note:	Long-Term Debt Incorporates Debt due				

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.8)  
 Effective: April 1, 2024

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.7)

Attachment B  
 Schedule 3

**Florida Keys Electric Cooperative Association, Inc.**  
**Return Calculation**  
**December 31, 2023**

Line No.		(a) Cost	(b) Source
	BANDWIDTH CHECK		
1	Benchmark Return on Equity	8.42%	
2	Upper Bandwidth Return On Equity	8.92%	Benchmark ROE + 1%
3	Lower Bandwidth Return On Equity	7.92%	Benchmark ROE - 1%
4	Earned Return on Equity	2.89%	Schedule 2 Line 3 (c)
5	ROE Adjustment	5.53%	Adjustment ROE
6	Adjusted ROE	8.42%	Line 4 + Line 5
7	Adjusted Return On Rate Base	6.04%	Schedule 2 Line 6 (d)

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.9)  
 Effective: April 1, 2024

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
 (Continued From Sheet 8.8)

Attachment B  
 Schedule 4

**Florida Keys Electric Cooperative Association, Inc.**  
**Rate Base and Existing Return Calculation**  
**December 31, 2023**

Line No.		(a) Cost	(b) Source
1	Rate Base	\$201,082,712	Schedule 1 Line 11 (c)
2	Adjusted Return On Rate Base	6.04%	Schedule 3 Line 7 (a)
3	Adjusted Return	\$12,143,991	Lines 1*2
4	Total Operating Expenses	\$93,943,547	Schedule 1 Line 17 (c)
5	Adjusted Revenues	\$106,087,538	Sum of Lines 3 and 4
6	Existing Operating Revenues	\$101,863,491	Schedule 1 Line 12 (c)
7	Adjustment To Operating Revenues	\$4,224,047	Line 5 - Line 6
8	Percent Change	4.15%	Line 7/Line 6

Adjustment to Operating Revenues	\$ 4,224,047
2023 Actual Sales	778,086,145

**Revenue Adjustment per kWh April 1, 2023                    \$ 0.005429**

Revenue Adjustment per kWh 2016	\$ (0.000260)
Revenue Adjustment per kWh 2017	\$ 0.005430
Revenue Adjustment per kWh 2018	\$ 0.005593
Revenue Adjustment per kWh 2019	\$ 0.003240
Revenue Adjustment per kWh 2020	\$ (0.001543)
Revenue Adjustment per kWh 2021	\$ (0.001263)
Revenue Adjustment per kWh 2022	\$ 0.000811
Revenue Adjustment per kWh 2023	\$ 0.004524

**Revenue Adjustment per kWh 2024                                    \$ 0.005429**

**Total Cumulative Adjustment per kWh Apr-Dec 2024    \$ 0.021961    \$ 21.96 Per 1000 kWh**

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.91)  
 Effective: April 1, 2024

1           Members Charitable Trust bylaws to include this honorary position. Motion carried ***without***  
 2           ***objection.***

3  
 4  
 5    **ITEMS FOR ACTION**

6  
 7           1. Approval of 2024 Formula Revenue Requirement Rider Adjustment:

8           The Board of Directors reviewed the calculation of the proposed 2024 Formula Revenue  
 9    Requirement Rider and its effect on rates, revenue, and margins. ***M. Puto made the motion; seconded***  
 10 ***by D. Ritz, that the Board approve the filing of the 2024 Formula Revenue Requirement Rider***  
 11 ***Adjustment as presented. Motion carried without objection.***

12          2. Determine the Date for the May Board Meeting:

13          Due to the Memorial Day Holiday, the Board of Directors determined to schedule the May Regular  
 14    Board Meeting for Tuesday, May 28, 2024, at 9:00 a.m. Should Committee Meetings be scheduled, they  
 15    will commence first followed by the Regular Board Meeting. ***Hearing no objections, so ordered.***

16  
 17    **REPORT OF BOARD COUNSEL**

18          J. Haswell prefaced his remarks with the caveat that he would not discuss matters of legal advice  
 19    with the Board that would be privileged and confidential.

20          J. Haswell's update included: (1) Discussions with Engineering regarding the Standard Pole  
 21    Attachment Agreement sent to Comcast; (2) Discussions with S. Kohlhofer regarding the 2024 Annual  
 22    Meeting criteria; (3) Incumbents Gretchen Holland (District 1 ~ Key Largo), and Joseph H. Roth III (District  
 23    2 ~ Tavernier), were reelected in accordance with FKEC bylaws, which state, in the event, only one qualified  
 24    member from a district is so nominated, that member shall be declared elected in which no election need  
 25    be held for such office; (4) Working on pole abandonment agreement with M. Jones; (5) Reported that the  
 26    fully executed Bill of Sale, and the Release of Indemnification Agreement, have been sent to file for the  
 27    transfer of a total of thirteen (13) poles on the property; (6) Reported that a member has agreed to allow  
 28    FKEC to relocate their existing sign, and FKEC will pay for relocation, to accommodate the new pole, J.  
 29    Haswell is working on a Letter of Intent to accompany the easement; and (7) Discussions with FKEC's  
 30    Member Service Representatives regarding correspondence.

31          J. Haswell reported on his routine work, including capital credit matters, on behalf of FKEC.

32    **UNFINISHED BUSINESS**

33          None