



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

February 25, 2025

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 2025 kilowatt-hour revenue adjustment to be implemented effective April 1, 2025.

The 2025 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 2025 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 2025 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". The signature is stylized with a large, sweeping loop at the end.

Scott Newberry
Chief Executive Officer

Attachments

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~~ April 1, 2025

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 the 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~~ April 1, 2025

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~~ April 1, 2025

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~~ April 1, 2025

Eighteenth Revised Sheet No. 8.5
Cancelling Seventeenth 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 2025 Revenues

Line No.	Rate Group	(a) Existing Revenues	(b) Proposed Increase	(c) Proposed Revenues	(d) Percent Change
1	Residential	59,852,818	1,034,289	\$60,887,107	1.73%
2	Commercial	12,863,708	222,292	\$13,086,000	1.73%
3	Industrial	22,538,021	389,469	\$22,927,490	1.73%
4	Street Lighting	189,118	3,268	\$192,386	1.73%
5	Public Authorities	5,770,111	99,711	\$5,869,822	1.73%
6	Total Metered Sales	101,213,776	1,749,029	\$102,962,805	1.73%
7	Other Misc. Revenues	3,215,344	\$0.00	\$3,215,344	
8	Total Operating Revenues	104,429,120	1,749,029	106,178,149	
Notes:					
1	Proposed revenue increase for FRR-1 will be \$.024215 per kWh, based on 2024 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, 2025

Eighteenth Revised Sheet No. 8.6
Cancelling Seventeenth 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 Electric Cooperative Association, Inc.
Rate Base and Existing Return Calculation
December 31, 2024

Attachment B
Schedule 1

Line No.		(a) Actual per Books	(b) Adjustments	(c) Adjusted Results	(d) Source
1	Utility Plant	\$256,175,006		\$256,175,006	RUS Form 7
2	CWIP	\$8,378,375		\$8,378,375	RUS Form 7
3	Accumulated Depreciation	-\$60,224,448		-\$60,224,448	RUS Form 7
4	Net Plant in Service	\$204,328,933		\$204,328,933	Sum of Lines 1-3
5	Materials & Supplies	\$6,083,183		\$6,083,183	RUS Form 7
6	Prepayments	\$385,067		\$385,067	RUS Form 7
7	Cash Working Capital [See Note (b)]	\$3,521,562		\$3,521,562	See Note A
8	Deferred Debits	\$849,720		\$849,720	RUS Form 7
9	Customer Deposits	-\$6,620,144		-\$6,620,144	RUS Form 7
10	Deferred Credits	-\$131,895		-\$131,895	RUS Form 7
11	RATE BASE	\$208,416,425		\$208,416,425	Sum of Lines 4-10
12	Operating Revenues	\$104,429,120		\$104,429,120	RUS Form 7
	Operating Expenses				
13	Total Operation & Maintenance	\$83,875,197		\$83,875,197	RUS Form 7
14	Annual Depreciation	\$8,222,570		\$8,222,570	RUS Form 7
15	Property Taxes	\$1,249,929		\$1,249,929	RUS Form 7
16	Taxes - Other than Income	\$56,910		\$56,910	RUS Form 7
17	TOTAL OPERATING EXPENSES	\$93,404,607		\$93,404,607	Sum of Lines 13-16
18	RETURN	\$11,024,512		\$11,024,512	Line 12 - Line 17
19	RATE OF RETURN - OVERALL	5.29%		5.29%	Line 18 / Line 11
Notes: (a) Line 6 Adjusted amount=Line 13 less Purchased Power Cost \$55,702,698.99 *.0125					

Issued by: Scott Newberry
Chief Executive Officer

(Continued on Sheet No. 8.7)
Effective: April 1, 2025

Eighteenth Revised Sheet No.8.7
 Cancelling Seventeenth 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 Association, Inc.
Rate Base and Existing Return Calculation
December 31, 2024

Line No.		(a) Capitalization per Books	(b) Capitalization Percentage	(c) Cost	(d) Weighted Costs
	EXISTING RETURN:				
1	Long-Term Debt	\$132,897,380	62.18%	4.67%	2.90%
2	Total Equity	\$80,815,955	37.82%	6.31%	2.39%
3	Total	\$213,713,334	100.00%		5.29%
	ADJUSTED RETURN:				
4	Long-Term Debt	\$132,897,380	62.18%	4.67%	2.90%
5	Total Equity	\$80,815,955	37.82%	8.53%	3.23%
6	Total	\$213,713,334	100.00%		6.13%
Note:	Long-Term Debt Incorporates Debt due				

Issued by: Scott Newberry
 Chief Executive Officer

(Continued on Sheet No. 8.8)
 Effective: April 1, 2025

Eighteenth Revised Sheet No. 8.8
 Cancelling Seventeenth Revised Sheet No. 8.8

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, 2024

Line No.		(a) Cost	(b) Source
	BANDWIDTH CHECK		
1	Benchmark Return on Equity	8.53%	
2	Upper Bandwidth Return On Equity	9.03%	Benchmark ROE + 1%
3	Lower Bandwidth Return On Equity	8.03%	Benchmark ROE - 1%
4	Earned Return on Equity	6.31%	Schedule 2 Line 3 (c)
5	ROE Adjustment	2.22%	Adjustment ROE
6	Adjusted ROE	8.53%	Line 4 + Line 5
7	Adjusted Return On Rate Base	6.13%	Schedule 2 Line 6 (d)

Issued by: Scott Newberry
 Chief Executive Officer

(Continued on Sheet No. 8.9)
 Effective: April 1, 2025

Eighteenth Revised Sheet No. 8.9
Cancelling Seventeenth Revised Sheet No. 8.9

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, 2024

Line No.		(a) Cost	(b) Source
1	Rate Base	\$208,416,425	Schedule 1 Line 11 (c)
2	Adjusted Return On Rate Base	6.13%	Schedule 3 Line 7 (a)
3	Adjusted Return	\$12,773,541	Lines 1*2
4	Total Operating Expenses	\$93,404,607	Schedule 1 Line 17 (c)
5	Adjusted Revenues	\$106,178,149	Sum of Lines 3 and 4
6	Existing Operating Revenues	\$104,429,120	Schedule 1 Line 12 (c)
7	Adjustment To Operating Revenues	\$1,749,029	Line 5 - Line 6
8	Percent Change	1.67%	Line 7/Line 6

Adjustment to Operating Revenues	\$ 1,749,029
2024 Actual Sales	775,838,369

Revenue Adjustment per kWh April 1, 2025 \$ 0.002254

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

Revenue Adjustment per kWh 2025 \$ 0.002254

Total Cumulative Adjustment per kWh Apr-Dec 2025 \$ 0.024215 \$ 24.22 Per 1000 kWh

Issued by: Scott Newberry
Chief Executive Officer

(Continued on Sheet No. 8.91)
Effective: April 1, 2025

MONTHLY REPORTS

S. Newberry's report covered the routine monthly topics and included the following:

1. Last month's FPL bill and billing summary have been included for the director's information. There was a negative \$307,095 adjustment true-up for December.
2. In the monthly Rate Comparison, FKEC is in the first position; FKEC came in first in the twelve-month rolling average with a cost of \$118.70.
3. Reported on the monthly Construction Work in Progress (CWIP) summary.
4. On the SCADA bar graph, FKEC shows a peak on December 31st at 5:00 p.m. at 122.75 MW.
5. Reported on the Marathon Solar Array Production as well as the Crawl Key Solar Array Production for December.
6. On the Unsolicited Breaker Operation Report, FKEC had two operations for December.
7. On the Service Order Report, FKEC completed 911 disconnects, reconnects, and transfer service orders for December.
8. Reported that Safety Meetings were conducted in Marathon on December 19 and in Tavernier on December 20, 2025, respectively. The meeting covered the following key topics: Incident Review: A brief discussion on recent incidents, including a lost time accident. Cybersecurity Awareness Presentation: Presented by Tamie Fox on Cybersecurity: How you can help. Topics included: Identifying suspicious links; Best practices for internet security; Ensuring secure communications; Reporting suspicious activity ("Report It" initiative); Recognizing legitimate vs. fraudulent communications; and Examples of bad actors and real-world cybersecurity threats. Employee recognition: Prizes were awarded to the Top 20 employees who reported phishing attempts to I.T.
9. The Workers' Compensation report indicates one doctor-treated injury in December.
10. A copy of the Consumer Price Index for December was distributed to the directors for their reference.
11. The directors were provided with copies of the E.I.A. Natural Gas Weekly Update, covering the weeks ending January 15, January 8, and December 18.
12. The directors received the approved December minutes from the FKEC Members Charitable Trust (Operation Round-Up®), along with the accompanying financial reports.

ITEMS FOR ACTION

1. Approval of 2025 Formula Revenue Requirement Rider Schedule FRR-1 Adjustment:

The Board of Directors reviewed the calculation of the proposed 2025 Formula Revenue Requirement Rider Schedule FRR-1 and its effect on rates, revenue, and margins. ***C. Smith made the motion; seconded by M. Puto, that the Board approve the filing of the 2025 Formula Revenue Requirement Rider Schedule FRR-1 Adjustment as presented. Motion carried without objection.***