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STATE OF FLORIDA



OFFICE OF COMMISSION CLERK  
CARLOTTA S. STAUFFER  
COMMISSION CLERK  
(850) 413-6770

# Public Service Commission

## NOTICE OF COMPLAINT

TO

**Florida Keys Electric Cooperative Association, Inc.**  
**P.O. Box 377**  
**Tavernier, FL 33070**  
(via Certified Mail No. 7017 0530 0001 1254 2219)

**Re: Docket No. 20180191-EC - Complaint of The Great Marathon Radio Company against Florida Keys Electric Cooperative Association, Inc. seeking penalties and other relief for failure to fulfill its duty to provide service, failure to follow its tariff, failure to comply with multiple Florida Public Service Commission rules, and attempting to impose an unduly discriminatory rate structure.**

Notice is hereby given, via certified U.S. mail, that the above-referenced complaint was filed with the Florida Public Service Commission on October 18, 2018. A copy of the complaint is attached for your convenience.

You may file a response to this complaint with the Office of Commission Clerk, with a copy sent to the complainant. Filing may be accomplished electronically via the Commission's website (see <http://www.floridapsc.com/ClerkOffice/EFilingRequirements>) or by mail at the address below.

NOTICED this 22nd day of October, 2018.

Sincerely,

A handwritten signature in blue ink that reads "Carlotta S. Stauffer".

Carlotta S. Stauffer  
Commission Clerk

CSS/BNB  
Enclosure

cc: The Great Marathon Radio Company  
Office of Public Counsel  
Office of General Counsel  
Office of Consumer Assistance & Outreach  
Docket File



(850) 521-1722  
cguyton@gunster.com

October 18, 2018

**BY E-PORTAL**

Ms. Carlotta Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Complaint of The Great Marathon Radio Company. . .**

Dear Ms. Stauffer:

Attached for filing, please find the Complaint and Petition along with a Motion to Expedite filed on behalf of The Great Marathon Radio Company.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

A handwritten signature in cursive script that reads 'Charles Guyton'.

---

Charles Guyton  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1722

cc: Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

<b>In re: Complaint of Great Marathon Radio</b>	)	
<b>Company against Florida Keys Electric</b>	)	
<b>Cooperative Association, Inc. Seeking Penalties</b>	)	
<b>And Other Relief for FKEC's Failure to</b>	)	<b>Docket No. PSC-18- -EU</b>
<b>Fulfill Its Duty To Provide Service, Failure To</b>	)	
<b>Follow Its Tariff, Failure To Comply With</b>	)	
<b>Multiple Florida Public Service Commission</b>	)	
<b>Rules, and Attempting to Impose an Unduly</b>	)	<b>Date: October 18, 2018</b>
<b>Discriminatory Rate Structure</b>	)	

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**COMPLAINT AND PETITION**

The Great Marathon Radio Company ("Great Marathon"), a member (customer) of the Florida Keys Electric Cooperative Association, Inc. ("FKEC"), brings this complaint against FKEC pursuant to Sections 120.569, 120.57, 350.127, 366.04(2), and 366.059 Florida Statutes 2018 (hereinafter, "F.S."), Rules 28-106.201, 25-22.036, 25-9.052, 25-9.053, 25-9.055, 25-9.064, 25-9.067, 25-9.068, and 25-9.069, Florida Administrative Code (hereinafter "F.A.C."), and requests the Florida Public Service Commission ("Commission") to (1) determine that FKEC's attempt to impose a pre-restoration deposit, rate, policy, term of service, standard form or rate schedule upon Great Marathon as a condition of service restoration is inconsistent with its filed Tariff and that FKEC must conform to its filed Tariff, (2) determine, under its rate structure jurisdiction in Section 366.04(2), F.S., that the pre-restoration deposit, rate, policy, term of service, standard form or rate schedule that FKEC seeks to impose upon Great Marathon as a condition of service restoration is an unduly discriminatory rate structure, (3) determine that FKEC's failure to file with the Commission its pre-restoration deposit, rate, policy, term of service, standard form or rate schedule is a violation of Rules 25-9.052(1), 25-9.052(2), 25-9.052(4) 25-9.053, 25-9.055, 25-9.062, 25-9.064, 25-9.066, 25-9.067, 25-9.068, and 25-9.069,



and (4) assess penalties against FKEC of \$5,000 per day for each day that FKEC (a) failed to comply with multiple commission rules regarding electric utility Tariffs and their contents, (b) failed to timely restore service to Great Marathon, and (c) failed to comply with its Commission filed and approved Tariff. As grounds therefore, Great Marathon states:

**Affected Agency**

1. The name, address and telephone number of the affected agency is:

The Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
1-800-342-3552

**Parties**

2. The name, address, e-mail address, facsimile number and telephone number of the petitioner and the petitioner's representative are:

Petitioner

The Great Marathon Radio Company  
Joseph P. Nascone  
1638 Overseas Highway  
Marathon Florida 33050  
joe@floridakeysradio.net  
(305) 395-7537 (phone)  
(305) 289-4603 (fax)

Petitioner's Representative

Gunster, Yoakley & Stewart, P.A.  
Charles A. Guyton  
Suite 601  
215 South Monroe Street  
Tallahassee, Florida, 32301  
cguyton@gunster.com  
(850) 521-1980 (phone)  
(850) 576-0902 (fax)

3. The name and address of the entity against whom the Complaint and Petition ("Complaint") is lodged and the name and address of the attorney representing the entity against whom the Complaint is lodged are:



Entity

Florida Keys Electric Cooperative  
Association, Inc.  
PO Box 377  
Tavernier, FL 33070  
(305) 852-2431

Entity's Representative

John H. Haswell  
Chandler, Lang, Haswell & Cole, PA  
PO Box 5877  
Gainesville, FL, 32627  
clhpalaw@aol.com  
352-376-5226

**Ultimate Facts Alleged**

12. FKEC is monopoly provider of electric service that is subject to Commission jurisdiction under Sections 366.04(2), (5) and (6) and 366.05(7) and (8), F S. Pursuant to its rate structure jurisdiction in Section 366.04(2)(b), F.S., the Commission has adopted Rules 25-9.051 through 071 regulating the filing and content of FKEC's Tariff.

13. FKEC has a duty to provide service to its members under Florida common law, Chapter 425, F.S. and, most importantly, under its Tariff on file with the Commission. Among other things it has pledged in its Tariff is to (a) "provide service for all ... commercial, ... service use ... in the Cooperative service area," and (b) "use reasonable diligence in furnishing a regular and uninterrupted supply of energy" to its members.

14. Great Marathon is a customer (member) of FKEC. Great Marathon owns and operates two radio stations located on Boot Key within FKEC's service area. Great Marathon has taken electric service from FKEC for its radio stations on Boot Key. These radio stations have been served by FKEC since they were established. Great Marathon has paid rates to FKEC that include costs for the restoration of service in the event of an interruption. When FKEC began providing electric service to the radio stations on Boot Key, there was a public bridge connecting Boot Key to Great Marathon Key that FKEC could and did use to extend service to Boot Key. Subsequently, that public bridge was decommissioned and is no longer available for use by FKEC.

15. On May 21, 2018, FKEC's service to Great Marathon was interrupted due to the conduct of an entity other than Great Marathon. FKEC intentionally has not restored Great Marathon's service as of the date of the filing of this complaint, some 150 days later. Much of this time during which FKEC has intentionally declined to restore service to Great Marathon's radio stations has been during the 2018 tropical storm and hurricane season. FKEC's failure to restore service is a willful violation of FKEC's duty to provide service. Also, FKEC's failure to restore service is a willful violation of its Commission-approved Tariff.

16. Instead of promptly restoring service to Great Marathon as it previously did after the bridge to Boot Key was decommissioned and when service was interrupted for the same reason (a sailboat striking FKEC's lines running onto Boot Key), FKEC has unconscionably stalled in restoring service. It took FKEC over two months to provide Great Marathon a "Term Sheet" setting forth the conditions under which it would restore service to Great Marathon.

17. FKEC's "Term Sheet" is not included in its filed and approved Tariff at the Commission. FKEC's insistence upon execution of the Term Sheet prior to restoring service and conditioning its pursuit of costs from the party responsible for the service interruption until the Term Sheet was signed by Great Marathon violate a host of Commission rules in Chapter 25-9, F.A.C. Those violations are more specifically set forth below in paragraphs 51 through 59 of this Complaint. These rule violations, including FKEC's failure to act consistently with its Commission filed and approved Tariff, warrant penalties from the Commission pursuant to Section 350.127 and Section 366.059, F.S.

18. The new rate structure set forth in the "Term Sheet" that FKEC has conditioned service restoration upon is unduly discriminatory. It is not being applied to other customers within Great Marathon's customer class, and it is not being applied to other customer classes.



Instead, all other customers are paying standard rates that include cost recovery for average costs associated with service restoration. Great Marathon has also been paying service restoration costs as a part of its standard rates. However, the new rate structure under the proposed "Term Sheet" allocates extraordinary additional costs for service restoration to Great Marathon even though Great Marathon has no responsibility for causing such restoration costs. The costs FKEC seeks to recover from Great Marathon have been caused first by an independent third party and then by FKEC through its gross disregard of its duty to serve and the provisions of its Tariff. Great Marathon needs the Commission to protect it from FKEC's unduly discriminatory rate structure.

19. FKEC's intentional failure to restore service timely to Great Marathon is a strikingly abject failure of FKEC to discharge its duty to provide service. It is an egregious failure of FKEC to follow the requirements of its Tariff. FKEC's intentional conditioning of service restoration upon a "Term Sheet" not in its Tariff and that has not been submitted to the Commission for review is a violation of a host of Commission rules. Failing to even begin engineering necessary to perform service restoration to two radio serving the Florida Keys during the 2018 tropical storm and hurricane season is a serious breach of public trust. FKEC's failure to restore service necessary to run safety lighting on a 320 foot radio tower and two 175 foot radio towers on Boot Key is another serious act adverse to the public welfare. FKEC's intentional and willful conduct is an abuse of its monopoly power, and Great Marathon needs the Commission to hold FKEC accountable to meet its duty to provide service, follow its approved Tariff, meet its Commission required Tariff filing requirements and implement a rate structure that is not unduly discriminatory. Unfortunately, penalties for FKEC's violation of Commission rules are necessary to protect Great Marathon from FKEC's serious and flagrant misconduct.



### **The Commission's Jurisdiction Over FKEC**

20. FKEC is a Rural Electric Cooperative organized under Chapter 425, Florida Statutes. The stated statutory purpose of Chapter 425 is for cooperative corporations to be organized "for the purpose of supplying electric energy and promoting and extending the use thereof in rural areas." The purpose for which FKEC was organized was to supply electric energy and promote its use. Simply stated, FKEC has an obligation to serve. FKEC's duty to serve is also evident in Florida Common law and FKEC's Tariff.

21. FKEC is an electric utility within the meaning of Section 366.02(2), F.S.

22. The Commission has jurisdiction over electric utilities such as FKEC pursuant to Sections 366.04(2), (5) and (6), and Section 366.05(7) and (8), F. S. Under Section 366.04 (2), the Commission has power over electric utilities such as FKEC for the following purposes:

- (a) To prescribe uniform systems and classifications of accounts.
- (b) To prescribe a rate structure for all electric utilities.
- (c) To require electric power conservation and reliability within a coordinated grid, for operational as well as emergency purposes.
- (d) To approve territorial agreements ....
- (e) To resolve ... any territorial dispute ...
- (f) To prescribe and require the filing of periodic reports and other data....

Under Section 366.04(5), F.S. has jurisdiction over electric utilities such as FKEC over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida and the avoidance of further uneconomic duplication of generation, transmission, and distribution facilities. Under Section 366.04(6) the Commission has exclusive jurisdiction to prescribe safety standards for transmission and distribution facilities of cooperatives such as FKEC. The Commission also has jurisdiction over electric utilities such as FKEC pursuant to

Section 366.05(7) and (8), both of which relate to the Commission's power over the adequacy and reliability of energy grids in Florida.

23. This Complaint is brought pursuant to the Commission's jurisdiction over the rate structure of electric utilities under 366.04(2)(b), F.S. The Commission also has authority under Section 366.04(2)(c), 366.04(5), 366.04(6), 366.05(7) and (8), F.S.

24. The Commission adopted Rules 25-9.051-071, F.A.C. to effectuate its rate structure jurisdiction over electric utilities. The Law Implemented listed in Rules 25-9.050-071 is Section 366.04(b)(2), the Commission statutory authority over the rate structure of electric utilities.

25. Pursuant to Rule 25-9.052, F.A.C., FKEC is required to file its Documentation with the Commission Clerk. Documentation refers to the assembled volume containing the materials required by Rules 25-9.054 through 25-9.071, F.A.C. Rule 25-9.0561(7), F.A.C. This "Documentation" is typically referred to as the electric utility's Tariff.

26. The electric utility documentation or Tariff filing requirement in Rule 25-9.052, F.A.C. is the condition precedent to the evaluation of the filing set forth in Rule 25-9.053, F.A.C.. Rule 25-9.053, F.A.C. requires the Commission to evaluate a change to a utility's rate structure using specific criteria. If an electric utility fails to make a Tariff filing to change its rate structure under Rule 25-9.052, F.A.C., there is no evaluation of the change in rate structure and no Commission approval of the change in the rate structure in the Tariff as envisioned in Rule 25-9.053, F.A.C.

27. A certified copy of the Electric Documentation or the Tariff book of FKEC is attached as Attachment 1 to this Complaint.

28. FKEC's Tariff clearly sets forth its obligation to provide service within its service area. On Original Sheet No. 4.6 of its Tariff, the following language appears:

SUBJECT: AREA COVERAGE POLICY

POLICY: It shall be the policy of the Cooperative to provide service for all residential, church, public buildings, commercial and industrial and multiple service use, and street and security lights in the Cooperative service area at the regularly established rates and minimums without any contribution in aid of construction except as such charges as may be provided in the rate schedule.

On Eight Revised Sheet No. 4.64 similar language appears under section 26 Area Coverage:

The Cooperative will provide service for all residential, church, public buildings, commercial, industrial, multiple service use, street and security lights in the Cooperative service area at the regularly established rates and minimums without any contribution in aid of construction except such charges as may be provided in the rate schedules or herein.

There are no contribution in aid of construction provisions set forth in the rate schedules in FKEC's Tariff book. On Third Revised Sheet No. 4.65, FKEC's Tariff further states, "FKEC will use reasonable diligence in furnishing a regular and uninterrupted supply of energy but does guarantee uninterrupted service ...."

29. The FKEC service area is addressed in Original Sheet No. 4.0 of FKEC's Tariff. It includes the "Lists of Communities Served." Among the communities listed is Boot Key.

30. It is clear on the face of the FKEC Tariff that FKEC has the duty under its Tariff to provide electric service for all commercial use on Boot Key pursuant to the rates, rate schedules and rate structure set forth in its Tariff filed with the Commission.

#### **How The Petitioner's Substantial Interests Will Be Affected**

31. Boot Key is located just off of Great Marathon Key in the Florida Keys. The Florida Keys and the people residing thereon face one of the highest risks of tropical storms and hurricanes in the world. The Tropical Storm and Hurricane season for Boot Key and the other



Florida Keys runs from June 1<sup>st</sup> through November 30<sup>th</sup> of each calendar year. The danger associated with living on the Florida Keys is increased because there is only one highway available for evacuation to the Florida mainland in the event of a tropical storm or hurricane. Access of residents of the Florida Keys to media in the event of a tropical storm or hurricane is very important to public safety and welfare.

32. Great Marathon owns two radio stations that operate from transmitter and tower sites on Boot Key. WFFG 1300 AM has a 300 square foot transmitter building and two 175' towers/antennas on Boot Key. The format of WFFG provides a substantial amount of news and public service announcements. More importantly, WFFG physically cannot be repositioned since this station's transmitter is controlled by its immediate proximity to the tower/antenna. The second station, WGMX 94.3 FM, is a powerful 50,000 watt radio station with a 30' x 15', transmitter building tied to a 320' tower on Boot Key. The format for this station includes news every hour on the hour.

33. Great Marathon is a member and customer of FKEC. It takes electric service from FKEC to run its radio station facilities on Boot Key.

34. On or about May 21, 2018, a sailboat mast hit the FKEC power lines that serve Boot Key, and as a result of this accident, electric service to Great Marathon was interrupted. A certified copy of the report detailing the accident is attached as Attachment 2. Great Marathon had no responsibility for the event that interrupted its service.

35. FKEC notified Great Marathon of the service interruption. Great Marathon inquired of FKEC when the interruption of service would be restored, as it needed electrical service to continue running its radio stations on Boot Key.

36. FKEC did not immediately answer Great Marathon's inquiry about service restoration. Verbal communications between Great Marathon and FKEC regarding the restoration of service continued for a period of time, with FKEC ultimately taking the position that Great Marathon would have to pay all the costs of the service restoration greater than \$50,000.00. As of the date of the filing of this Complaint, 150 days have passed since service was interrupted to Great Marathon. Service has not been restored to Great Marathon. FKEC has not even provided an formal estimate of restoration costs, other than to state that it believes the cost will be in excess of \$250,000, but it has declined to restore service unless Great Marathon agreed to pay all the costs of restoration that exceed \$50,000, make a nonrefundable deposit of \$250,000, pay a further deposit as may be required by FKEC, provide a personal guarantee from Great Marathon's president of the agreement, and a host of other conditions entirely outside of FKEC's Tariff.

37. As of result of the extended service interruption that FKEC has intentionally declined to correct, neither of the radio stations that Great Marathon owns and operates on Boot Key has been able to maintain the same quality of service to the Florida Keys they maintained before FKEC's service interruption. WFFG 1300 AM physically cannot be repositioned since its station transmitter is controlled by its immediate proximity to the Tower/antenna located on Boot Key. Therefore, WFFG has essentially been "off the air" due to FKEC's continued failure to provide service. WGMX has been operating at an alternative site using its transmitter and a 120" tower. Consequently, its service area has been significantly reduced because due to FKEC's failure to provide service to Boot Key. WGMX can only be operated at a much reduced wattage instead of 50,000 watts that FKEC provided at the Boot Key Location, and it is having to use a much shorter tower than is available on Boot Key. Thus, during the entirety of the Tropical

Storm and Hurricane season in 2018 to date, the Florida Keys have lost one radio station serving them and experienced a significant decline in the range of another radio station serving them due to FKEC's failure to restore service to Great Marathon.

38. During this extraordinarily extended, intentional service interruption, Great Marathon has been unable to secure electricity from FKEC necessary to serve the safety lights on its 320 foot and two 150 foot radio towers on Boot Key. FKEC's failure to provide service has created this additional safety hazard as well.

39. On or about August 23, 2018, over two months after FKEC's service interruption to Great Marathon on Boot Key, FKEC forwarded by email to Great Marathon a "Term Sheet" proposing terms under which it would restore service to Great Marathon. A copy of the email and accompanying Term Sheet is attached as Attachment 3. In the August 23, 2018 email from FKEC to Great Marathon, FKEC made no mention of its duty to serve Great Marathon, its Tariff, the rate schedules applicable to FKEC's provision of service to Great Marathon or any other Tariff provision governing its provision of service to Great Marathon. Moreover, FKEC did not inform Great Marathon that any special contract for the provision of electric service such as the proposed "Term Sheet" would have to be filed with and approved by the Commission.

40. The "Term Sheet" proposed by FKEC for the restoration of Great Marathon's service on Boot Key is not a part of FKEC's Tariff.

41. The "Term Sheet" proposed by FKEC for the restoration of Great Marathon's service on Boot Key is inconsistent with FKEC's Commission-approved Tariff and FKEC's underlying duty to provide service. The very idea of an FKEC attempting to negotiate an agreement to restore a previously provided service is inconsistent with the clear duty that FKEC has to provide service under its Tariff, the Florida common law and even Chapter 425, F.S. A



duty to serve, which FKEC has freely assumed, includes the obligation to restore service, particularly when the service interruption was not due to the action of Great Marathon.

42. The onerous terms set forth in the Term Sheet are clearly designed to avoid the continued provision of service by FKEC to Great Marathon.

- a. Joseph Nascone, the President of Great Marathon, not Great Marathon, FKEC's customer of record, is to be solely responsible for all costs of service restoration above \$50,000. No total cost estimate for restoration is even provided.
- b. Joseph Nascone, the President Great Marathon, not Great Marathon, the FKEC's customer of record, is charged with assuming the cost of establishing and maintaining an infrastructure on Boot Key that would allow mobilization and demobilization of heavy equipment on Boot Key, not only for restoration of service, but also for any future maintenance and repair activity by FKEC. From a review of FKEC's Tariff, no other customer has been asked or required to make such infrastructure improvements in a hurricane zone simply to be able to enjoy a restoration of power.
- c. Joseph Nascone, the President of Great Marathon, not Great Marathon, the FKEC's customer of record, is to provide FKEC a \$250,000 nonrefundable deposit before the engineering of the restoration services. So, two months after the service interruption, FKEC, with a duty under its Tariff "to use reasonable diligence in furnishing a regular and uninterrupted supply of energy" had not even begun engineering services necessary to restore service. There is no provision in FKEC's Tariff that authorizes FKEC to require a nonrefundable

deposit of a quarter of a million dollars for restoration of service. The Tariff provision that comes closest to establishing any charge for service restoration is a charge of \$150 if equipment owned by an entity other than FKEC is used to make a service or outage response after regular business hours. Section 15, Seventh revised Sheet No. 4.60.

- d. Joseph Nascone, the president of Great Marathon, not Great Marathon, the FKEC's customer of record, was asked to assume all these obligations, the costs of which were not even estimated, before FKEC would begin engineering, make arrangement for construction and even seek reimbursement from the sailboat owner and its insurance company – the party initially responsible for the service interruption. Arguably, the sailboat owner was only responsible for the initial accident and the time it should have taken FKEC to restore service. Any further delay in the restoration of service was due solely to FKEC intentionally failing to meet its duty to serve and intentionally failing to follow the terms of its Tariff.
- e. FKEC placed other terms in the "Term Sheet" that were designed to avoid having to ultimately restore service. The Term Sheet was not a binding agreement, but an agreement to negotiate an acceptable agreement within 60 days. FKEC delayed the engineering not only until the Term Sheet was executed, but also even further until the complete execution of a contract (as much as 120 days). It then created a bidding procedure for the construction, a further delay. Then it provided for a review by Joseph Nascone of the costs and estimated schedule and required an assumption of those costs and schedule

before FKEC would actually begin restoration. The "Term Sheet" also mentioned "an additional deposit" might be required by FKEC, but it failed to quantify what such a deposit might be.

- f. Essentially, Joseph Nascone, the president of Great Marathon, not Great Marathon, FKEC's customer of record, was asked to sign a blank check or a series of blank checks just to find out what restoration might cost and in what time service restoration could be completed. FKEC has attempted to shift its cost responsibility for providing service to its customer, Great Marathon or to the owner of its customer. FKEC proposes this shift of cost responsibility even though Great Marathon has been paying rates and charges that included recovery of service restoration costs. Incredibly, FKEC also conditioned pursuit of recovery from the actual initial cost causer, the sailboat owner or operator that initially caused the service interruption, until after an agreement was signed and a wholly unconscionable deposit had been paid.
- g. These delaying tactics to restore service and insistence upon terms that are not found in its Tariff suggest that FKEC had no desire to restore Great Marathon's service, despite its acknowledged duty to serve in its Tariff.

43. The terms set forth in the Term Sheet constitute a new rate structure for FKEC.

44. Previously, FKEC electric service to Great Marathon was interrupted by another sailboat that hit and damaged the FKEC lines that serve Great Marathon and Boot Key. This service interruption also occurred after the bridge to Boot Key had been decommissioned. In that instance, FKEC acknowledged its duty to restore service and restored service within four weeks. In doing so, it followed its Tariff and did not insist upon a new rate structure that had not



been filed with the Commission. So, it is clear that in this instance FKEC is attempting to impose an entirely new rate structure without first securing Commission approval.

45. The new rate structure set forth the "Term Sheet" that FKEC has forwarded to Great Marathon is unduly discriminatory. FKEC's new, unfiled rate structure is being uniquely applied to Great Marathon. It is not being applied to other customers within Great Marathon's rate class, nor is it being applied to FKEC's customers in other rate classes. This new rate structure that requires a \$250,000 nonrefundable deposit, another potential deposit of an unspecified amount, assumption of all costs of restoration above \$50,000, infrastructure improvements to roads necessary to accommodate heavy equipment and other onerous and unconscionable terms has not been required upon any other FKEC customer which has had service interrupted. There is no basis for treating Great Marathon uniquely and requiring these extraordinary terms not found in FKEC's Tariff.

46. FKEC's new rate structure fails to pass even basic rate structure fairness issues such as assessing costs to cost causers. There are two distinct cost causers in the current scenario, and neither is Great Marathon. The first cost causer is the owner and/or operator of the sailboat that damaged FKEC's facilities and interrupted service to Great Marathon. Service to Great Marathon was initially interrupted by the owner and/or operator of the sailboat that hit FKEC's lines. Great Marathon was faultless in regard to that event. Whether FKEC shares that fault for the accident due to a failure to adequately warn the sailboat operator of FKEC's facilities remains to be determined, but it is clear that the sailboat operator and/or owner is a cost causer for the restoration costs. The other cost causer for the restoration costs is FKEC. After the time in which FKEC could have restored power but declined to do so without insisting upon a new rate structure inconsistent with its existing Tariff, the delay in restoring service to Great

Marathon was due entirely to FKEC. FKEC insisted upon its "Term Sheet" as a precondition to service restoration, and this "Term Sheet" was a new rate structure that was not in its Tariff. So, FKEC is significantly responsible for failing to timely restore Great Marathon's service, and Great Marathon remains faultless.

47. The rate structure also attempts to inappropriately shift the cost of restoration from FKEC, which has a self-acknowledged duty to provide service, to Great Marathon. FKEC is a monopoly provider of electric service within its service area, which includes Boot Key. FKEC has an exclusive right to serve "all" commercial customers within its service area. Great Marathon cannot look to an alternative electric service provider to secure service on Boot Key. FKEC is taking advantage of its monopoly position by insisting upon terms and conditions of service that are not in its filed Tariff. This is an abuse of monopoly power by FKEC that is inconsistent with FKEC's duty not only to provide service, but also the Commission's requirement that FKEC file and follow its Tariff. The Commission needs to act to protect Great Marathon from FKEC's abuse of its monopoly power.

48. Any suggestion by FKEC that the new rate structure it proposed in its "Term Sheet" is a contribution in aid of construction contemplated in its Tariff must be rejected. While it is true that FKEC's Tariff contemplates a contribution in aid of construction might be provided for in its rate schedules, see Original Sheet No. 4.6 and Eight Revised Sheet No. 4.64, there are no contribution in aid of construction provisions actually set forth in its filed and approved Tariff. Moreover, under Commission policy contributions in aid of construction are not applicable to service restoration, only to new customers and line extensions. Great Marathon is not a new customer, and it is not requesting a line extension. Great Marathon is an existing



customer requesting service restoration on an existing line that FKEC has a duty to restore. The "Term Sheet" is outside of FKC's Tariff.

49. Any suggestion by FKEC that the new rate structure it proposed in its "Term Sheet" is a line extension policy must also be rejected. There is a line extension policy set forth in FKEC's Tariff, but it is clear from the face of the line extension policy in the Tariff that it is inconsistent with the terms set forth on FKEC's "Term Sheet." Sixth Revised Sheet No. 4.62, Paragraph 21. Under the clear terms of the line extension policy set forth in the FKEC Tariff, it is only applicable "to serve a new consumer." Great Marathon is not a new customer; it is an existing customer that is being denied service from existing facilities that FKEC has refused to repair. Moreover, the deposit due under the approved FKEC line extension policy is refundable, which is distinctly different than the "nonrefundable" deposit set forth on the "Term Sheet." Similarly, there is no "new location" of service in Great Marathon's case. The location is the same as it has always been. The Tariff contemplates a "new location." In addition, there is not Certificate of Occupancy involved in the current circumstance, but the existing FKEC line extension policy anticipates one because it is for a new customer at a new location. Finally, even if this line extension were applicable, which it clearly is not, the "Term Sheet" goes far beyond what is provided for in FKEG's Tariff. Once again, FKEC is exceeding the scope of its Tariff.

50. Essentially, FKEC's "Term Sheet" has created a new class of customer, a customer class that is limited to Great Marathon, and it is allocating extraordinary costs to Great Marathon as a condition of restoring service that FKEC has a duty to provide. Every other customer served by FKEC, including Great Marathon before FKEC adopted its new rate structure, can expect service restoration as a part of the cost it pays for the provision of service. However, Great Marathon cannot receive comparable treatment unless it pays enormous deposits



and agrees to pay for the unquantified cost of restoration above \$50,000.00. This is undue discrimination in rate structure against Great Marathon.

#### **Rules That Have Been Violated**

51. Pursuant to its rate structure jurisdiction under Section 366.04(2)(b), F.S., the Commission had adopted Rules 25-9.051-.071, F.A.C. that are applicable to rural electric cooperatives like FKEC. Rule 25-9.001, F.A.C. These rules require the filing of a Tariff with the Commission and address the contents of such Tariffs. FKEC has proposed a "Term Sheet" for restoration of service that is not found in its Tariff on file and approved by the Commission.

52. FKEC's failure to file its "Term Sheet" with the Commission and its insistence upon Great Marathon's acceptance of those terms as a condition of the restoration of service is a violation of Rule 25-9.052(1), F.A.C., which requires FKEC to file documentation.

53. FKEC's failure to file the "Term Sheet" with the Commission Clerk at least 30 days prior to adoption by the utility is a violation of Rule 25-9.052(2), F.A.C. FKEC's failure to file the "Term Sheet" with the Commission 30 days before its adoption frustrated the Commission's ability to review the compliance of the Term Sheet with Rules, 25-9.051 through 25-9.071, F.A.C., which is also required under Rule 25-9.053, F.A.C.

54. FKEC's "Term Sheet" was a change in rate structure, and it failed to file supporting documentation as required by Rule 25-9.052(4), F.A.C.

55. FKEC's failure to file its "Term Sheet" with the Commission did not allow the Commission to evaluate FKEC's change in rate structure per by Rule 25-9.053, F.A.C.

56. FKEC's failure to provide any terms on the "Term Sheet" properly in the Miscellaneous section of the Tariff constitutes a violation of Rule 25-6.064, F.A.C.

57. FKEC's failure to file its "Term Sheet" as a rate schedule is a violation of Rule 25-9.067, F.A.C.

58. FKEC's "Term Sheet" fails to meet the requirements of Rule 25-9.068 (3)(d), (e), (f)(k) and (l), F.A.C.

59. If intended as a standard form, FKEC's failure to file its "Term Sheet" violates Rule 25-9.069, F.A.C.

#### **Penalties Sought**

60. The Commission has authority under Section 350.127, F.S. to impose penalties upon any regulated company for any willful violation of any rule of the Commission. FKEC is a regulated company within the meaning of Chapter 350, F.S. It is clear that FKEC has willfully violated the rules set forth in paragraphs 51-59 above by attempting to insist upon its unfiled and unapproved "Term Sheet" as a condition of restoring service to Great Marathon. These willful violations are more specifically set forth in paragraphs above. Therefore, Great Marathon asks the Commission to impose a penalty of \$5,000 for each rule and rule subsection violated by FKEC. Great Marathon further requests that the Commission treat each and every day since May 21, 2018 until FKEC restores power to Great Marathon as a separate offense for each of the rule violations alleged in paragraphs 51-59 of this Complaint.

61. The Commission also has authority under Section 366.059, F.S., to impose penalties upon any entity regulated under Chapter 366, F.S. that has willfully violated any rule of the Commission. FKEC is an entity regulated by the Commission pursuant to Chapter 366, F.S. It is clear that FKEC has willfully violated the rules set forth in paragraphs 51-59 above by attempting to insist upon its unfiled and unapproved "Term Sheet" as a condition of restoring service to Great Marathon. These willful violations are set forth more fully in paragraphs above.

Therefore, Great Marathon asks the Commission to impose a penalty of \$5,000 for each rule and rule subsection violated by FKEC. Great Marathon further requests that the Commission treat each and every day since May 21, 2018 until FKEC restores power to Great Marathon as a separate offense for each of the rule violations alleged in paragraphs 51-59 of this Complaint.

62. Great Marathon further requests that the Commission hold the assessment of penalties in abeyance and forego the penalties due if FKEC (a) expeditiously restores service to Great Marathon without insisting upon the new rate structure set forth in its unfiled and unapproved "Term Sheet," and (b) pays to Great Marathon all costs Great Marathon has incurred in moving equipment and employing new facilities to continue operation of one of its stations from May 21, 2018 until service is restored to Great Marathon on Boot Key, and (c) pays to Great Marathon all losses, including losses of advertising revenues, experienced by Great Marathon's radio stations on Boot Key due to FKEC's failure to timely restore service.

#### **Additional Provisions of Rule 28-106.201**

63. There has been no agency action in this matter, so Great Marathon cannot provide a statement of how it received notice of agency decision as contemplated by Rule 28-106.201, F.A.C.

64. Great Marathon is not currently aware of any disputed issues of material fact but would be surprised if FKEC does not dispute at least some of the facts alleged.

65. Great Marathon is not contending that an agency proposed action warrants reversal or modification; therefore the portion of Rule 28-106.201(f), F.A.C. that assumes such a circumstance cannot be addressed.



### **Prayer For Relief**

Wherefore, Great Marathon request the following relief from the Commission: Issuance of an order to FKEC:

- (1) requiring FKEC to show cause why FKEC has failed to follow its approved Tariff on file with the Commission and ordering FKEC to expeditiously restore service to Great Marathon consistently with its filed and approved Tariff rather than the "Term Sheet" which is not a part of its Tariff;
- (2) requiring FKEC to show cause why FKEC's insistence upon its unfiled and unapproved "Term Sheet" as a condition of the restoration of service to Great Marathon is not a willful violation of the following rules: Rules 25-9.052(1), 25-9.052((2), 25-9.052(3), 25-9.052(4), 25-9.055, 25-9.052(1), 25-9.052(2), 25-9.052(4), and either 25-9.064, 25-9.066, 25-9.067 and 25-9.068(3) or perhaps 25-6.069, F.A.C.;
- (3) requiring FKEC to show cause why it has refused to duty and obligation to serve by willfully failing to restore service to Great Marathon unless Great Marathon and its owner agree to terms not found in FKEC's Commission-approved Tariff;
- (4) requiring FKEC to show cause why the Commission should not assess a \$5,000 penalty pursuant to Section 350.127, F.S. for each separate rule willfully violated by FKEC and treating every day between the interruption of service until service is restored by FKEC to Great Marathon as a separate offense; and
- (5) requiring FKEC to show cause why the Commission should not assess a \$5,000 penalty pursuant to Section 366.059, F.S. for each separate rule willfully violated by FKEC and treating every day between the interruption of service until service is restored by FKEC to Great Marathon as a separate offense;

Great Marathon further requests that after the show cause proceeding the Commission issue an order:

(6) finding that FKEC has a duty to restore service to Great Marathon and ordering FKEC to follow its Tariff and restore service to Great Marathon without the terms set forth in FKEC's "Term Sheet";

(7) assessing a \$5,000 penalty pursuant to Section 350.127, F.S. for each separate rule willfully violated by FKEC and treating every day between the interruption of service until service is restored by FKEC to Great Marathon as a separate offense; and

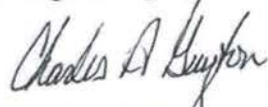
(8) assessing a \$5,000 penalty pursuant to Section 366.059, F.S. for each separate rule willfully violated by FKEC and treating every day between the interruption of service until service is restored by FKEC to Great Marathon as a separate offense; and

(9) holding FKEC's payment of penalties in abeyance and foregoing such penalties if FKEC (a) expeditiously restores service to Great Marathon without insisting upon the new rate structure set forth in its unfiled and unapproved "Term Sheet," and (b) pays to Great Marathon all costs Great Marathon has incurred in moving equipment and employing new facilities to continue operation of one of its stations from May 21, 2018 until service is restored to Great Marathon on Boot Key, and (c) pays to Great Marathon all losses, including losses of advertising revenues, experienced by Great Marathon's radio stations on Boot Key due to FKEC's failure to timely restore service determining,

(10) finding under its rate structure jurisdiction in Section 366.04(2), F.S., that the new rate structure comprised of a new pre-restoration deposit, rate, policy, term of service, standard form or rate schedule that FKEC seeks to impose upon Great Marathon as a condition of service restoration is unduly discriminatory, and

(11) granting such other relief as may be appropriate and within the Commission's jurisdiction.

Respectfully submitted,

A handwritten signature in cursive script that reads "Charles A. Guyton".

Charles A. Guyton  
Gunster Yoakley & Stewart, P.A.  
Suite 601  
215 S. Monroe Street  
Tallahassee, Florida 32301

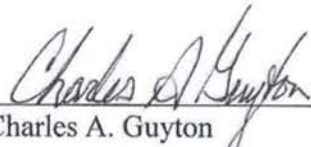
*Attorneys for the Great Marathon Radio Company*



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail and overnight courier to the following party this 18th day of October, 2018:

John H Haswell, Esquire  
Chandler, Lang, Haswell & Cole, PA  
PO Box 5877  
726 NE First Street (32601)  
Gainesville, FL 32627  
[clhpalaw@aol.com](mailto:clhpalaw@aol.com)

  
\_\_\_\_\_  
Charles A. Guyton

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Great Marathon Radio )  
Company against Florida Keys Electric )  
Cooperative Association, Inc. Seeking Penalties )  
And Other Relief for FKEC's Failure to ) Docket No. PSC-18- -EU  
Fulfill Its Duty To Provide Service, Failure To )  
Follow Its Tariff, Failure To Comply With )  
Multiple Florida Public Service Commission )  
Rules, and Attempting to Impose an Unduly ) Date: October 18, 2018  
Discriminatory Rate Structure )

Attachment 1 to Complaint and Petition

FKEC's Tariff on file with the Florida Public Service Commission



**FLORIDA KEYS ELECTRIC COOPERATIVE  
ASSOCIATION, INC. - FKEC**

91605 OVERSEAS HIGHWAY P.O. BOX 377, TAVERNIER, FL 33070-0377 PHONE: (305) 852-2431 FAX: (305) 852-479

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DEPARTMENT OF  
ECONOMIC REGULATION

March 15, 2001

Mr. David P. Boergers, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Dockets Room  
Room 1A, East  
Washington, D.C. 20426

RE: Revised Rate for Non-Firm Transmission Service Pursuant to the Terms and Conditions of the "Long Term Joint Investment Transmission Agreement" ("Agreement") Between Florida Keys Electric Cooperative Association, Inc. ("FKEC") and the City Electric System, Key West, Florida ("CES")

Dear Mr. Boergers:

By order dated May 13, 1997, the Federal Energy Regulatory Commission (the Commission) accepted for filing FKEC's submittal in Docket No. ER-97-2171-000. The Commission's acceptance of FKEC's submittal in Docket No. ER-97-2171-000 accepted the method and format FKEC uses to calculate the annual change in the non-firm transmission rate FKEC charges CES under the terms of Section 4.3 of the above mentioned Agreement. The Commission also accepted FKEC's request for waiver on an ongoing basis of the Commission's normally applicable notice provision to allow for the revised non-firm transmission rate in the Agreement to become effective April 1 of each year, recognizing that FKEC would not be able to comply with the sixty day advance filing notice.

This instant filing is intended to revise, as required under Section 4.3 of the Agreement, the rate for non-firm transmission service provided to CES. The method and format used to calculate the 2001-2002 non-firm transmission rate is the same as that used in Docket No. ER-97-2171-000. Included in this filing is: 1) an updated Exhibit E2 which develops the non-firm transmission rate that is intended to be applicable for the period April 1, 2001 through March 31, 2002 (see Exhibit E2); 2) the required information in support of the requested rate (see Schedules 1 and 2, Attachment 1, and Worksheet 1); and 3) a Notice of filing in WordPerfect 5.1 format for MSDOS.



Mr. David P. Boergers  
March 15, 2001  
Page 2

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COMMISSION

01 MAR 21 PM 3:45

DIVISION OF  
ECONOMIC REGULATION

FKEC respectfully requests an effective date for the revised non-firm transmission rate of April 1, 2001.

Please address all correspondence regarding this filing to:

Charles A. Russell, Chief Executive Officer and General Manager  
Florida Keys Electric Cooperative Association, Inc.  
91605 Overseas Highway  
Tavernier, Florida 33070

Telephone Number (305) 852-2431  
Fax Number (305) 852-4794

Copies of this filing have also been served upon CES and the Florida Public Service Commission.

Sincerely,



Charles A. Russell  
Chief Executive Officer  
and General Manager

CAR/smb  
cc: Scott Newberry

Enclosures

# **NOTICE OF FILING**

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**UNITED STATES OF AMERICA**

**Federal Energy Regulatory Commission**

Florida Keys Electric Cooperative Association, Inc.

Docket No.

**NOTICE OF FILING**

(                    )

TAKE NOTICE THAT ON \_\_\_\_\_, Florida Keys Electric Cooperative Association, Inc. tendered for filing a revised rate for non-firm transmission service provided to the City Electric System, Key West, Florida in accordance with the terms and conditions of the Long-Term Joint Investment Transmission Agreement between the Parties.

A copy of this filing has been served on CES and the Florida Public Service Commissioner.

Any person desiring to be heard or to protest said filing should file a Motion to Intervene or protest with the Federal Energy Regulatory Commission, 888 First Street N.E., Room 1A, East, Washington D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211, 385.214). All such motions or protests would be filed on or before \_\_\_\_\_ . Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a Motion to Intervene. Copies of this filing are on file with the Commission and are available for public inspection.

David P. Boergers  
Secretary



**EXHIBIT E2**

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**EXHIBIT E2**  
**CALCULATION OF NON-FIRM WHEELING RATES**

FLORIDA KEYS ELECTRIC COOPERATIVE  
 RATE FOR 4/1/2001 THROUGH 3/31/2002  
 BASED ON PREVIOUS YEAR COSTS

	<u>Investment Cost:</u>	<u>Source/Calc</u>	<u>Rate Development</u>
	Fixed Charge Rate		
1	Blended cost of money (%)	(26)	7.74%
2	TIER	FKEC E-O-Y Accts.	1.57
3	Depreciation Rate (%)	RUS	2.75
4	Fixed Charge Rate (%)	((1)*(2))+(3)	14.90543%
5	Transmission Investment	FKEC E-O-Y Accts.	13,901,132
6	Cost of Capital	(4)*(5)	2,072,024
	<b>Expenses:</b>		
	Allocated JTS Costs		
7	Operations & Maintenance	JTS Bills	382,260
8	Admin & General	JTS Bills	151,270
9	Property Taxes	JTS Bills	180,291
10	Other Taxes (except gr.recpt)	JTS Bills	2,288
11	Subtotal	(7)+(8)+(9)+(10)	716,109
12	Deficiency Payment From CES	JTS Bills	0
13	Total Expenses	(11)+(12)	716,109
14	Total Costs	(6) + (13)	2,788,132
15	Energy (mWh)	(34)	680,011,469
16	Rate (mills/kWh)	(14) / (15)	4.1000

**EXHIBIT E2**  
**CALCULATION OF NON-FIRM WHEELING RATES**  
**SUPPLEMENTAL INFORMATION**

FLORIDA KEYS ELECTRIC COOPERATIVE  
 RATE FOR 4/1/2001 THROUGH 3/31/2002  
 BASED ON PREVIOUS YEAR COSTS

	<u>A&amp;G and Tax Allocators</u>	<u>Source/Calc</u>	<u>Rate Development</u>
17	Transmission O&M	CFC -7, A, 4b	878,759
	Total O&M		
18	Total O&M	CFC-7, A, 11b	47,274,676
19	Fuel	RUS 12f, D,2a	71,627
20	Purchased Power	CFC-7, A, 3b	36,565,765
21	A&G	CFC-7, A, 10b	3,015,949
22	Net O&M	(18)-(19)-(20)-(21)	7,621,335
23	Transmission O&M Alloc.(%)	(17)/(22)	11.53025%
	<b><u>Blended Cost of Money:</u></b>		
24	Interest on Long-Term Debt	CFC-7, A, 15b	2,491,655
25	Long-Term Debt	CFC-7, C, 35	32,182,311
26	Cost of Money	(24)/(25)	7.74%
	<b><u>Property Tax Allocation:</u></b>		
27	Transmission Investment	(5)	13,901,132
28	Total Investment	CFC-7, C, 5	68,770,250
29	Allocation Factor (%)	(27) / (28)	20.21387%
30	Property Taxes	CFC-7, A, 13b	891,917
31	Trans. Property Taxes	(29) * (30)	180,291
	<b><u>Energy:</u></b>		
32	Purchased (kWh)	CFC-7, R, 15m	678,407,667
33	Generated (kWh)	CFC-7, R, 16m	1,603,802
34	Total (kWh)	(32) + (33)	680,011,469
35	Percent of costs alloc. to FKEC	Contract	43.50%



**REPORTING INFORMATION**

**PURSUANT TO**

**18 C.F.R. § 35.13 (a) (2)**

---

## FLORIDA KEYS ELECTRIC COOPERATIVE

### Reporting Requirements in Accordance With 18 C.F.R. § 35.13(a)(2)

#### I. General Information

The general information required in this Section has been addressed in FKEC's letter transmitting this filing.

#### II. Comparison of Sales and Revenues Under Current Rates Versus Proposed Rates

The magnitude of transactions or revenues for non-firm transmission service in Section 4.3 of the Long Term Investment Transmission Agreement ("Agreement") between Florida Keys Electric Cooperative ("FKEC") and the City Electric System, Key West, Florida ("CES") cannot be accurately predicted due to the nature of the service. CES' non-firm use of FKEC's capacity entitlement on the transmission system vary greatly from month to month and year to year. Schedule 2 shows a comparison of non-firm transmission revenues under current rates versus proposed rates based on non-firm energy transmitted for CES during calendar year 2000.

#### III. Basis for the Rate

The rate applicable to non-firm transmission service for CES' non-firm use of FKEC's capacity entitlement was developed in accordance with Exhibit E2 of the Agreement (See Exhibit E2 attached hereto). The methodology used in developing the non-firm charges for either party (Exhibit E1 is CES's rate for FKEC's non-firm use of the line) was agreed to by both parties at the time the Agreement was being negotiated and was included in the final Agreement. At the time the Agreement was executed in 1991, FKEC was not a FERC jurisdictional public utility. This Agreement, including Exhibit E2, required the approval of the REA, which was subsequently granted.

When FKEC became a FERC jurisdictional public utility, it submitted Exhibit E2 and supporting information to FERC in Docket No. ER-97-2171-000. FERC, by Order dated May 13, 1997, accepted FKEC's filing in this Docket, which accepted the method and format used to calculate the annual change in the non-firm transmission rate and FKEC's request for waiver on an on-going basis of FERC's normally applicable sixty (60) day notice provision.

Schedule 1 shows that FKEC's costs can support an On-Peak non-firm transmission charge of 4.990 mills/kWh and an off-peak charge of 3.330 mills/kWh using the AEP methodology. Given the fact that CES' non-firm use of FKEC capacity entitlement is generally all during On-peak periods, and metering is in place to determine hourly use, FKEC intends to charge CES 4.10 mills/kWh for all On-Peak non-firm usage, as calculated by Exhibit E-2, and 3.330 mills/kWh for all Off-Peak usage. On-Peak will be from 6:00 a.m. to 10:00 p.m. daily. Off-Peak will be all other hours.

#### IV. Comparison of Rate to Other Rates for Similar Service

FKEC does not provide transmission service of any kind to any other entity other than CES.

#### V. Modification of Existing Facilities

The service in question is non-firm transmission service. FKEC has not had to install any new facilities or modify existing facilities in order to provide this service.

**FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION**  
**FIXED CHARGE WORKSHEET /1/**

**I. O&M Expense:**

*Transmission:*

A. Total Transmission Expenses (A.4b)	\$878,759
B. Transmission by Others	\$0
c. Total Transmission Plant Investment (E.33e)	\$20,283,316

**Average or End of Year**

$$\frac{A - B}{C} = \boxed{0.0433}$$

**II. Other Taxes Expense:**

A. Other Taxes (Electric Only) (A.13b+A.14b)	\$937,529
B. Electric Plant in Service (E.41e)	\$89,819,925

**Average or End-of-Year**

$$A/B = \boxed{0.0104}$$

**III. Transmission A&G Expense:**

A. Transmission Wages Expense (Worksheet)	\$329,962
B. A&G Wages Expense (Worksheet)	\$987,249
C. Total Wages Expense (I.4)	\$4,383,173
D. Total A&G Related O&M Expense (A.10b)	\$3,015,949
T. Total Transmission Plant Investment (E.33e)	\$20,283,316

*Transmission A&G Expense*

$$\frac{A}{C - B} \times \frac{D}{T} = \boxed{0.0144}$$

/1/ All items are referenced by source. Where the source is FKEC's CFC Form 7, the source reference can be found by section, line number, and column in FKEC's 2000 CFC Form 7.



**FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION**  
**FIXED CHARGE WORKSHEET**

**IV. Transmission Depreciation Expense**

DEt=Transmission Depreciation Expense (F.2a,c) \$559,750  
T = Total Transmission Plant Investment (E.33e) \$20,283,316

**Transmission Depreciation**

SLDt =  
 $\frac{DEt}{T} =$  0.0276

n = 1/SLDt = 36

SFDT =

$\frac{ROR}{((1+ROR)^n)-1} =$  0.0031

**V. Composite Income Tax Expense:**

Not Applicable. FKEC is a non-profit association and is not subject to Federal or State Income Tax N/A

**VI. General Plant Information**

General Plant (E.24e) \$9,500,746

Transmission G.P. Factor = /1/ 0.0972

/1/ Wage Expense/(Total Wage Expense-A&G Wage Expense)

**FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION  
RATE OF RETURN WORKSHEET**

**FKEC Cost of Capital Calculation**

<u>Cost of Capital 12-31-00</u>	<u>Rate Development</u>
1. FKEC Debt as of 12-31-00	\$32,182,311
2. FKEC Equity as of 12-31-00	\$33,676,090
3. FKEC Total Capitalization 12-31-99 [(1)+(2)]	\$65,858,401
4. FKEC Debt as a % of Total Capitalization [(1)/(3)]	48.87%
5. Blended Cost of Long-Term Debt /1/	7.96%
6. Weighted Cost of Debt Capital [(4) x (5)]	3.89%
7. FKEC Equity as a % of Total Capitalization [(2)/(3)]	51.13%
8. Blended Cost of Long-Term Debt /1/	7.96%
9. FKEC TIER Ratio	1.57
10. Cost of Equity [(8) x (9)]	12.50%
11. Weighted Cost of Equity Capital [(7) x (10)]	6.39%
12. FKEC Cost of Capitalization [(6) + (11)]	<b>10.3%</b>

/1/ See Attachment 1.

**FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION  
 FIXED CHARGE WORKSHEET  
 SUMMARY**

<u>Line No.</u>	<u>Item</u>	<u>Transmission</u>
(1)	O&M	0.0433
(2)	Other Taxes	0.0104
(3)	A&G	0.0144
(4)	Return	0.1030
(5)	Depreciation	0.0031
(6)	Composite Income Tax (CIT)	N/A
(7)	General Plant /1/	0.0053
(8)	Cash Working Capital /2/	0.0006
(9)	ADIT Adjustment	N/A
(10)	Fixed Charge Rate	0.1801
(11)	Annual Peak (kW) (R.19g)	129,007
(12)	Losses	3.00%
(13)	Annual Transmission Cost (\$/kW) /3/	\$29.17
(14a)	Hourly Cost (mills/kWh) ; On-Peak /4/	4.9900
(14b)	; Off-Peak /5/	3.3300

/1/ ((G.P. Factor\*General Plant)\*(Other Taxes+Return+Depreciation+CIT  
 +ADIT Adjustment))/Plant Investment.

/2/  $\text{Transmission} = ((\text{Transmission Exp} - \text{Transmission by Others}) * .125) * (\text{Return} + \text{CIT}) / \text{Plant Investment}.$

/3/  $(\text{Transmission Plant Investment} / \text{Annual Peak kW}) * \text{Fixed Charge Rate} * (1 + \text{Losses}).$

/4/ Line (13)/5840 hours (AEP Methodology) - 6:00 AM to 10:00 PM, daily.

/5/ Line (13)/8760 hours.



**FLORIDA KEYS ELECTRIC COOPERATIVE**  
**Comparison of Non-Firm Transmission Revenues**  
**Under Current Rates Versus Proposed Rates**

		Current Rate			Proposed Rate	
		Applicable Transmission			Proposed Transmission	
		kWh's Wheeled	Rate (\$/kWh)	Revenue (\$)	Rate (\$/kWh)	Revenue (\$)
2000	Jan	0	0.00625 <sup>(1)</sup>	0	0.00410 <sup>(3)</sup>	0
	Feb	0	0.00625 <sup>(1)</sup>	0	0.00410 <sup>(3)</sup>	0
	Mar	20,132	0.00625 <sup>(1)</sup>	126	0.00410 <sup>(3)</sup>	83
	Apr	15,324	0.00423 <sup>(2)</sup>	65	0.00410 <sup>(3)</sup>	63
	May	23,139	0.00423 <sup>(2)</sup>	98	0.00410 <sup>(3)</sup>	95
	Jun	200,859	0.00423 <sup>(2)</sup>	850	0.00410 <sup>(3)</sup>	824
	Jul	305,199	0.00423 <sup>(2)</sup>	1,291	0.00410 <sup>(3)</sup>	1,251
	Aug	353,432	0.00423 <sup>(2)</sup>	1,495	0.00410 <sup>(3)</sup>	1,449
	Sep	132,600	0.00423 <sup>(2)</sup>	561	0.00410 <sup>(3)</sup>	544
	Oct	19,081	0.00423 <sup>(2)</sup>	81	0.00410 <sup>(3)</sup>	78
	Nov	1,138	0.00423 <sup>(2)</sup>	5	0.00410 <sup>(3)</sup>	5
	Dec	0	0.00423 <sup>(2)</sup>	0	0.00410 <sup>(3)</sup>	0
<b>Total</b>		<b>1,070,904</b>		<b>4,571</b>		<b>4,391</b>

<sup>(1)</sup> The rate for non-firm transmission service, pursuant to the "Long Term Joint Investment Transmission Agreement" ("Transmission Agreement"), for the period April 1, 1999 through March 31, 2000.

<sup>(2)</sup> The rate for non-firm transmission service, pursuant to the Transmission Agreement, for the period April 1, 2000 through March 31, 2001.

<sup>(3)</sup> This is the proposed rate for On-Peak service. This assumes that all use of the transmission system will occur during on-peak hours.

**FKEC DEBT STRUCTURE  
AS OF DECEMBER 31, 2000**

<b>LOAN INFORMATION</b>	
CFC Debt	\$7,159,221
CoBank	\$25,023,090
Total Debt	\$32,182,311
<b>Overall Blended Rate</b>	<b>7.96%</b>

<b>DEBT STRUCTURE</b>	
3 Years or Less	42.44%
4 thru Ten Years	20.97%
11 thru 20 Years	18.64%
Over 20 Years	17.94%
Total	100.00%

<b>TERM</b>	<b>LOAN AMOUNT</b>	<b>ROLL-OVER DATE</b>	<b>DEBT PERCENTAGE</b>	<b>LENDER</b>	<b>INTEREST RATE</b>	<b>BLENDED RATE</b>
Variable	\$7,159,221	N/A	22.25%	CFC	8.30%	1.8464%
Variable	\$5,750,000	N/A	17.87%	CoBank	8.19%	1.4633%
28 Year	\$750,000	2026	2.33%	CoBank	6.67%	0.1554%
5 Year	\$2,250,000	2001	6.99%	CoBank	7.35%	0.5139%
7 Year	\$2,250,000	2003	6.99%	CoBank	7.50%	0.5244%
10 Year	\$2,250,000	2006	6.99%	CoBank	7.70%	0.5383%
13 Year	\$1,500,000	2009	4.66%	CoBank	7.85%	0.3659%
15 Year	\$1,500,000	2011	4.66%	CoBank	7.95%	0.3705%
17 Year	\$1,500,000	2013	4.66%	CoBank	7.97%	0.3715%
20 Year	\$1,500,000	2016	4.66%	CoBank	8.00%	0.3729%
22 Year	\$1,500,000	2018	4.66%	CoBank	8.02%	0.3738%
25 Year	\$1,500,000	2021	4.66%	CoBank	8.02%	0.3738%
28 Year	\$1,250,000	2024	3.88%	CoBank	8.03%	0.3119%
30 Year	\$1,523,090	2026	4.73%	CoBank	8.05%	0.3810%
Total	\$32,182,311		100.00%			7.9630%

**FLORIDA KEYS ELECTRIC COOPERATIVE  
ANALYSIS OF LABOR AS A PERCENT OF TOTAL EXPENSE  
FOR A&G AND TRANSMISSION**

	<b>2000 <u>Total Expense</u></b>	<b>2000 <u>Labor Only</u></b>	<b>Percent Labor <u>to Expense</u></b>
Transmission Expense	\$878,759	\$329,962	37.55%
Administrative & General Expense	\$3,015,949	\$987,249	32.73%



**Resolution of the Board of Directors of the  
Florida Keys Electric Cooperative Association, Inc.**

**AUTHORIZATION TO ADJUST SERVICE FEES**

**WHEREAS**, in the first quarter of 2011 the Board determined that existing service fees charged to members have not changed since 2005 and that FKEC's costs to perform various services have likely increased since that time, and;

**WHEREAS**, in the first quarter of 2011 the Board directed FKEC staff to review existing service fees relative to actual costs incurred to perform such services, and;

**WHEREAS**, FKEC staff reviewed costs relative to each service provided and delivered a recommendation to the Board to increase fees for services to cover costs reflected in the schedule below, to be effective October 1, 2011, and;

DESCRIPTION	FEE AMOUNT		
	REG HOURS	W/SCV TRUCK	AFTER HOURS
COLLECTION FEE	\$50.00		
DISCONNECT FEE	\$50.00	\$100.00	
RECONNECT FEE	\$50.00	\$100.00	\$150.00
NON PAY DISCONNECT FEE	\$50.00	\$100.00	
RETURNED CHECK FEE	\$30.00		
METER TEST	\$50.00		
SERVICE CALL (MISC) **	\$50.00		\$150.00
CONTRIBUTION IN AID	VARIOUS		
METER POLE INSTALLATION ***	\$500.00		
STREETLIGHT GLOBE OR SHADING	\$50.00		
INSTALL MOV SURGE ARRESTER	\$50.00		
TEMPORARY SERVICE FEE	\$250.00	\$350.00	
PERMANENT SERVICE FEE	\$225.00	\$300.00	
METER TAMPERING FEE	\$250.00		
READ OUT FEE	\$50.00		
CUT METER SEAL FEE	\$50.00		
FALSE SERVICE CALL FEE		\$100.00	\$150.00

**WHEREAS**, the Board of Directors, at a regular meeting of the Board held on May 27<sup>th</sup>, 2011, reviewed and approved the service fees as scheduled above, and;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors accepts and approves the adjustment as scheduled above, effective October 1, 2011.

## SIGNATURE OF THE SECRETARY

I, Michael H. Puto, hereby certify that I am the Secretary of The Florida Keys Electric Cooperative Association, Inc.'s Board of Directors. I further certify that the foregoing resolution was duly adopted at the regular meeting of the Board of Directors held on May 27<sup>th</sup>, 2011, at which a quorum was present, and that as of the date of this certification, said resolution has not been modified or rescinded and shall remain in full force and effect until rescinded by a duly adopted resolution.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of FKEC this 27<sup>th</sup> day of May 2011.

  
\_\_\_\_\_  
MICHAEL H. PUTO  
Secretary



1 **ACTION ON MINUTES**

2 President Ritz asked if there were any corrections to the minutes of the Regular Board Meeting,  
3 held on April 25, 2011, which were previously provided to each Director, and hearing none, the minutes  
4 were approved.

5  
6 **INTRODUCTION AND COMMENTS BY MEMBERS AND GUESTS**

7 None

8  
9 **TARGETED GOALS OF CHIEF EXECUTIVE OFFICER**

10 S. Newberry reported on his eleven new targeted goals. A question and answer session  
11 followed. *The purpose of this report was for discussion of the issues only; no action was taken or*  
12 *recommended.*

13  
14 **COMMITTEE MEETINGS**

15 Finance Committee Meeting

16 Chairman F. Hawkins reported that the Finance Committee met on Friday, May 27, 2011. The  
17 committee members, directors and staff convened to review and discuss the rate restructuring  
18 proposal/presentation. Discussion ensued; *F. Hawkins made the motion; seconded by M. Puto, to*  
19 *approve the proposed rate restructuring as presented with the exception that the fixed charge will*  
20 *be based on a daily rate basis and renamed to a system access charge. The approved rate*  
21 *structure will be implemented effective October 1, 2011. Vote taken, Motion passed without*  
22 *objection.*

23 FECA / Statewide

24 C. Belcher presented a brief Statewide update: (1) Reported that FECA's next Board and  
25 Committee Meetings will be conducted on June 1 - 2, 2011; (2) Reported on the FECA Florida Legislative  
26 Report indicating bills that have become law and bills that have died; (3) Reported that at the June 2,  
27 2011 FECA Board Meeting, the Board will select a Chief Executive Officer to serve on the board of the  
28 National Rural Utilities Cooperative Finance Corporation (CFC), in which S. Newberry has placed his  
29 name vying for this position; and (4) Reported that the FECA Summer Leadership Conference is  
30 scheduled for August 2 - 4, 2011 at the Sandpearl Resort in Clearwater Beach, Florida.



# Resolution of the Board of Directors of the Florida Keys Electric Cooperative Association, Inc.

## AUTHORIZATION TO ADJUST RETAIL ELECTRIC RATES

**WHEREAS**, Florida Keys Electric Cooperative Association, Inc.'s (FKEC) 2011 budget produces a TIER ratio of 1.89, which is commensurate to the goal requested by the Board of Directors, and;

**WHEREAS**, in the first quarter of 2011 the Board directed FKEC staff to produce the 2010 Cost of Service Study (COSS), and;

**WHEREAS**, FKEC staff produced and delivered the COSS in May 2011, the results of which indicate that a FKEC may need to recover fixed costs in a more equitable manner by increasing the facilities access charge; and reducing the KWH energy charge by resetting the cumulative Formulary Rate Rider back to zero, to remain revenue neutral, and;

**WHEREAS**, FKEC will not change the basic rate design in any class other than to restate the "Customer Charge" to "Daily System Access Charge", which will be calculated based on the number of days in each billing cycle rather than a flat monthly charge, and;

**WHEREAS**, FKEC proposes Daily System Access Charges, Energy Charges, Demand Charges, and Street Light Charges to the level listed below would generate the revenue required, and better reflect the COSS, and;

Residential Service	Daily System Access Charge	\$0.80
Residential Service	Energy Charge	\$.023
General Service	Daily System Access Charge	\$1.20
General Service	Energy Charge	\$.023
General Service Demand	Daily System Access Charge	\$2.50
General Service Demand	Energy Charge	\$.023
General Service Demand	Demand Charge / Kw	\$5.65
Sodium Vapor - 9,500 Lumen		\$10.00
Sodium Vapor - 16,000 Lumen		\$11.00
Mercury Vapor - 7,000 Lumen		\$7.00
Mercury Vapor - 11,000 Lumen		\$8.00
Pole/Span Sodium Vapor		\$8.00
Mercury Vapor		\$8.00

**WHEREAS**, the Board of Directors, at a regular meeting of the Board held on May 27<sup>th</sup>, 2011, reviewed and approved the COSS and the Proposed Rates;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors accepts and approves the adjustment as outlined above, effective October 1, 2011.

**SIGNATURE OF THE SECRETARY**

I, Michael H. Puto, hereby certify that I am the Secretary of The Florida Keys Electric Cooperative Association, Inc.'s Board of Directors. I further certify that the foregoing resolution was duly adopted at the regular meeting of the Board of Directors held on May 27<sup>th</sup>, 2011, at which a quorum was present, and that as of the date of this certification, said resolution has not been modified or rescinded and shall remain in full force and effect until rescinded by a duly adopted resolution.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of FKEC this 27<sup>th</sup> day of May 2011.

  
\_\_\_\_\_  
MICHAEL H. PUTO  
Secretary

1 **ACTION ON MINUTES**

2 President Ritz asked if there were any corrections to the minutes of the Regular Board Meeting,  
3 held on April 25, 2011, which were previously provided to each Director, and hearing none, the minutes  
4 were approved.

5

6 **INTRODUCTION AND COMMENTS BY MEMBERS AND GUESTS**

7 None

8

9 **TARGETED GOALS OF CHIEF EXECUTIVE OFFICER**

10 S. Newberry reported on his eleven new targeted goals. A question and answer session  
11 followed. *The purpose of this report was for discussion of the issues only; no action was taken or*  
12 *recommended.*

13

14 **COMMITTEE MEETINGS**

15 Finance Committee Meeting

16 Chairman F. Hawkins reported that the Finance Committee met on Friday, May 27, 2011. The  
17 committee members, directors and staff convened to review and discuss the rate restructuring  
18 proposal/presentation. Discussion ensued; *F. Hawkins made the motion; seconded by M. Puto, to*  
19 *approve the proposed rate restructuring as presented with the exception that the fixed charge will*  
20 *be based on a daily rate basis and renamed to a system access charge. The approved rate*  
21 *structure will be implemented effective October 1, 2011. Vote taken, Motion passed without*  
22 *objection.*

23 FECA / Statewide

24 C. Belcher presented a brief Statewide update: (1) Reported that FECA's next Board and  
25 Committee Meetings will be conducted on June 1 - 2, 2011; (2) Reported on the FECA Florida Legislative  
26 Report indicating bills that have become law and bills that have died; (3) Reported that at the June 2,  
27 2011 FECA Board Meeting, the Board will select a Chief Executive Officer to serve on the board of the  
28 National Rural Utilities Cooperative Finance Corporation (CFC), in which S. Newberry has placed his  
29 name vying for this position; and (4) Reported that the FECA Summer Leadership Conference is  
30 scheduled for August 2 - 4, 2011 at the Sandpearl Resort in Clearwater Beach, Florida.



- 1 16. Reported on the Marathon Solar Array Production as well as the Crawl Key Solar Array  
2 Production for the month of January.
- 3
- 4 17. On the Unsolicited Breaker Operation Report, FKEC had three (3) operations for the month of  
5 January.
- 6
- 7 18. On the Service Order Report, FKEC completed 1,227 service orders for the month of January  
8 with 174 account transfers.
- 9
- 10 19. Safety Meetings were held this month on February 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup>, respectively. T. Anthony  
11 and N. Kraus presented and explained the temporary Safety Department structure to include  
12 the following: Accidents of any sort should be immediately reported to T. Anthony. Uniforms  
13 and/or OSHA matters should be directed to N. Kraus. Walt Stevens will begin as FKEC's  
14 Training & Safety Manager the first week in March. N. Kraus also reported that there will not  
15 be a Safety Meeting conducted in March, as Measure X Training will take place on March 3 –  
16 4, 2016. Next, S. Hamilton discussed Spill Prevention Control and Countermeasures. She  
17 stated that all employees are responsible for reporting any spill(s). She then stressed that any  
18 spill must be reported to SOC and noted that FKEC's SPCC Plans are stored in Sara's office  
19 and/or on the PC Common drive. T. Anthony then presented a video about vehicle vs. pole  
20 accidents which depict how to escape safely, and a second video entitled "Slips, Trips and  
21 Falls" emphasizing workplace safety and the importance of housekeeping.
- 22
- 23 20. The Workers' Compensation report indicates one doctor treated injury for the month of  
24 January.
- 25
- 26 21. A copy of the Consumer Price Index for the month of January was provided to the directors for  
27 their reference.
- 28
- 29 22. A copy of the E.I.A. Natural Gas Weekly Update (overview for the weeks ending January 27,  
30 February 3, February 10 and February 17) was provided to the directors for their information  
31 and reference.
- 32
- 33 23. The approved January minutes from the FKEC Members Charitable Trust (Operation Round-  
34 Up®) were provided to the directors along with a copy of the accompanying financial reports.
- 35
- 36
- 37

**ITEMS FOR ACTION**

- 38 1. Approval of 2016 Rate Rider:

39 The Board of Directors reviewed the calculation of the proposed 2016 Rate Rider and its effect on  
40 rates, revenue and margins. ***K. Wagner made the motion; seconded by M. Puto, that the Board***  
41 ***approve the filing of the 2016 Rate Rider adjustment as presented. Motion carried without objection.***

**REPORT OF BOARD COUNSEL**

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

46 J. Haswell's update included: (1) Reported that he reviewed the AMI Meter Installation Agreement  
47 and has made the appropriate changes to said Agreement; (2) Update on the Calusa Campground issue(s);

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

ELECTRIC DOCUMENTATION

VOLUME 1

FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

P. O. BOX 377  
TAVERNIER,  
FLORIDA 33070  
305/852-2431

FILED WITH FLORIDA PUBLIC SERVICE COMMISSION

Issued by: Fred Kray  
General Manager

Effective: NOV 28 1979

Florida Public Service Commission

**APPROVED**

Authority No. CE-79-15

NOV 28 1979

*Richard N. Tudor*

DIRECTOR, RATE DEPT.

DOCKET NUMBER 770811-EU

ORDER NUMBER 8628



RE: CE-89-3

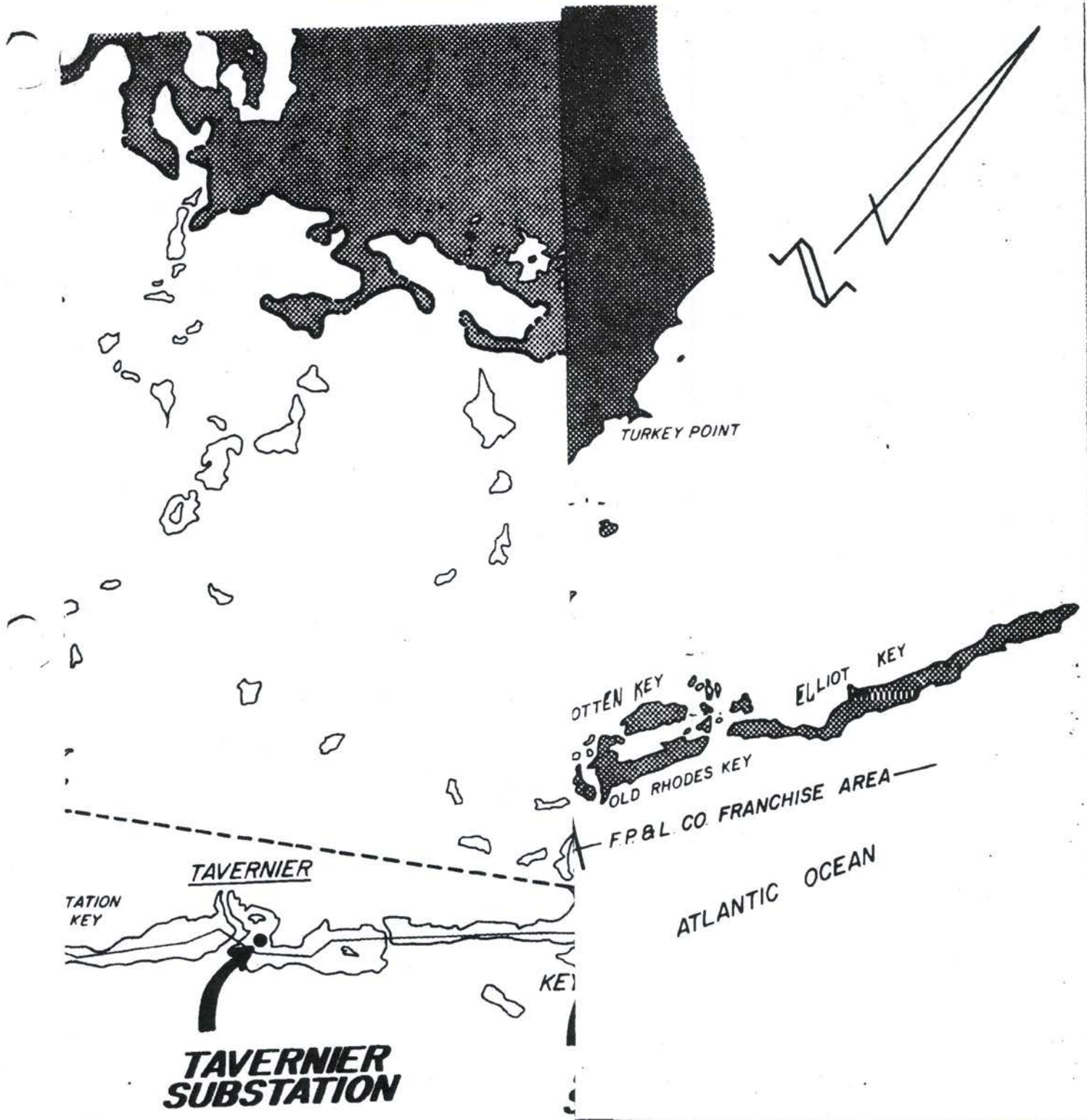
Florida Keys line extension policy -

I called Mr. Russell regarding Florida Keys' prepared line extension policy and he explained that the board basically wanted to ensure that customers would take service and require a line by requiring a deposit. The deposit would be refunded after the work was performed. He indicated that line extensions occur possibly for 1 new customer / year. Thus, in light of this we believed policy was reasonable and it was approved.

Frank Tronino

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

DESCRIPTION OF TERRITORY SERVED



Issued by: Fred Kray  
General Manager

Effective: NOV 28 1979

Florida Public Service Commission

**APPROVED**

Authority No. CE-79-15

NOV 28 1979

*Richard N. Tudor*

DIRECTOR, RATE DEPT.

DOCKET NUMBER 770811-EU

ORDER NUMBER 8628



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

LIST OF COMMUNITIES SERVED

COMMUNITIES

Ocean Reef  
Key Largo  
Rock Harbor  
Tavernier  
Plantation Key  
Windley Key  
Islamorada  
Upper Matecumbe Key  
Lower Matecumbe Key  
Craig Key  
Long Key  
Layton

Conch Key  
Duck Key  
Grassy Key  
Crawl Key  
Fat Deer Key  
Coco Plum  
Coco Plum Beach  
Key Colony Beach  
Vaca Key  
Marathon  
Boot Key  
Knights Key

All rate schedules are applicable throughout the service area.

Issued by: Fred Kray  
General Manager

Effective: NOV 28 1979

Florida Public Service Commission

**APPROVED**

Authority No. CE-79-15

NOV 28 1979

*Richard N. Tudor*

DIRECTOR, RATE DEPT.

DOCKET NUMBER 770811-EU

ORDER NUMBER 8628

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

POLICY BULLETIN 203.7

SUBJECT: AREA COVERAGE POLICY

POLICY: It shall be the policy of the Cooperative to provide service for all residential, church, public buildings, commercial and industrial and multiple service use, and street and security lights in the Cooperative service area at the regularly established rates and minimums without any contribution in aid of construction except such charges as may be provided in the rate schedules.

For non-permanent type of installations and special contract loads, the provisions of REA Bulletin 112-3 shall apply.

If a member or a developer desires to place Cooperative lines and facilities underground, he may do so at his own cost, less a credit from the Cooperative of the estimated cost of a comparable overhead system; provided, however, the developer submits complete plans for such underground service to the Cooperative for approval before commencing any construction.

Issued by: Edmund M. Grant  
General Manager

Effective: February 23, 1976



APPROVED

DEC 15 1987

Florida Public Service Comm.

Authority No. CE-87-10

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

**POLICY BULLETIN NO. 209.0**

SUBJECT: BILLING, COLLECTION AND FEE SCHEDULES

POLICY: Florida Keys Electric Cooperative Association, Inc. is a non-profit organization whose members share in the margins and losses resulting from Cooperative operations. In order to limit members' exposure to losses from unpaid electric accounts, the Cooperative has established the following rules.

1 **Billing Deposits**

Before connecting service, the Cooperative may require a billing deposit on each account in an amount deemed by the Cooperative to be adequate to guarantee payment of bills under this policy.

1.1 **Residential Account Billing Deposits**

Residential account billing deposits for any type of residence made after September 1, 1988, shall not exceed \$150. Deposits for churches and qualified condominium common areas (see Section 28) billed under the residential tariff will be determined in accordance with the rules for general service & general service demand account deposits.

1.2 **General Service & General Service Demand Account Billing Deposits**

Deposits on general service & general service demand accounts will be the greater of:

1.2.1 \$200;

1.2.2 approximately two times the highest monthly bill during the prior 12 months for a similar business at the same location;

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.51)  
Effective: November 25, 2013

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-024

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: December 5, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.50)

- 1.2.3 an amount sufficient to cover approximately two times the highest monthly bill calculated based on estimated connected load and the nature of the general service enterprise.

In all cases the highest monthly bill will be defined to include all applicable customer charges, energy charges, demand charges, power cost calculation charges, formula revenue requirement riders and taxes.

1.3 Exceptions to Deposit Collections

- 1.3.1 Periodically, customers having general service and/or general service demand accounts in good standing request that certain residential accounts be connected for short periods in order to test the operation of household appliances or to clean the premises. The most common examples are realtors who manage rental properties or contractors who have completed construction of a residence. No deposit will be required on such additional residential account if:

- 1.3.1.1 the account is opened in the name of a member already receiving service under the general service or general service demand tariff;
- 1.3.1.2 the member's primary general service account is active and in good standing, defined as no record of appearing on the cutoff list, disconnect for non-payment, returned check, pay arrangement not honored, or meter tampering;
- 1.3.1.3 the member's length of service in the residential account does not exceed 7 days.

- 1.3.2 Surviving spouses of members who maintained their account only in the name of the deceased person can transfer the billing and security light deposits from the decedent's residential rate account to a new residential account in the survivor's name and furnishing a copy of the decedent spouse's death certificate. Any requests for additional deposits will also be transferred to the survivor's new account.

- 1.3.3 Members with existing residential accounts that want to open additional residential accounts, or members with existing general service accounts that want to open additional general service accounts will not be required to pay a deposit on new corresponding accounts as long as the new accounts are opened under the member's existing membership number and the member has at least three years of continuous service and if all of the existing accounts have the most recent 24 months of continuous good credit history.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.52)  
Effective: November 25, 2013

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-024

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: December 5, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.51)

For purposes of this policy, good credit history will be defined as no record of the following: delinquent (late charges), on cutoff list, disconnect for non-payment, returned check, pay arrangement not honored or meter tampering.

If an account opened under this section of the policy subsequently does not have a good credit history as defined above, the Cooperative may require the member to pay a deposit on the account in an amount required by Section 1.1 or 1.2 of this policy.

2 Additional Deposits

2.1 If an account has been disconnected for non-payment and the account's deposit is less than approximately two times the highest monthly bill during the prior 12 months, or if the account has no deposit, the member will be required to increase the billing deposit to approximately two times the highest monthly bill during the prior 12 months before the account will be reconnected.

2.2 At its discretion, the Cooperative may review the billing record of an account at any time to determine the adequacy of the sum on deposit and may require that the deposit be increased to approximately two times the highest monthly bill during the prior 12 months.

The member will be notified that he or she will be allowed two months in which to bring his or her account up-to-date before being required to make the deposit. If the account is brought into current condition and the member already has the minimum deposit required by this policy, the member will not be required to increase the deposit so long as the member maintains the account in current condition. Current condition is defined as no incidence of credit history marks for: delinquent (late charges), on cutoff list, disconnect for non-payment, returned check, pay arrangement not honored, or meter tampering. If the member fails to maintain the account in current condition, the additional deposit will be required upon notice by the Cooperative.

3 Refund of Deposits

3.1 Deposits on residential accounts will be subject to refund after three (3) years from the date of deposit (or the date of the last required additional deposit) if the account has the most recent 24 months of continuous good credit history and the member has been in the current account at least 90 days. For purposes of this policy, good credit history will be defined as no record of the following: delinquent (late charges), on cutoff list, disconnect for non-payment, returned check, pay arrangement not honored, or meter tampering. Such refunds will include any accrued deposit interest and will be made by credit to the account, and will not be refunded by check.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.53)  
Effective: November 25, 2013



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-024

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: December 5, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.52)

3.2 Any deposits, accrued interest on deposits and membership fees will be applied against payment of the final bill of the member. If the result of the application is a debit or credit account balance of less than \$5.00, the account balance will be written-off and no bill or check will be produced. If the result of the application is a credit account balance of \$5.00 or more, it will be refunded to the member. If a member has an unpaid bill(s), the member agrees to pay all costs of collection, including reasonable attorney's fees and reasonable costs incurred to any collection agency for such collection, whether suit is filed or not.

3.3 Deposits that have been held for two years or more after the disconnect date on an account will be refunded, along with any accrued interest, if:

3.3.1 No other active accounts in the name of the member are subject to the additional deposit requirements per Section 2, and

3.3.2 There are no outstanding balances due on other inactive accounts in the name of the member.

Refunds will be made only to the extent the deposit & accrued interest exceed the amounts required to cover the additional deposits and balances due under Sections 3.3.1 and 3.3.2.

3.4 After 12 months of billing history have accumulated, deposit amounts on general service and general service demand accounts that were collected based upon the criteria in Sections 1.2.2 and 1.2.3 may be reviewed at the member's request. If the deposit on the account exceeds approximately two times the highest monthly bill during the prior 12 months, the excess deposit will be refunded by credit to the account if:

3.4.1 The account has 12 months of continuous good credit history, as defined in Section 3.1, and;

3.4.2 No other active accounts in the name of the member are subject to the additional deposit requirements per Section 2, and

3.4.3 There are no outstanding balances due on other inactive accounts in the name of the member.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.54)  
Effective: October 1, 2015

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-15-008

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 18, 2015

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.53)

4 Transfer of Deposits

A member moving from one location to another may have their billing deposit transferred to the new location, if the total amount due on the original account is paid and if service to the original account is disconnected within seven (7) days. However, if the total amount due on the original account is not paid, these charges will be added to the bill at the new location and an appropriate billing deposit required on the new account. In this case, the total amount due will include all charges for electric service through the date the service was disconnected and any fees associated with the disconnection of the original account.

5 Special Meter Readings, Disconnects & Reconnects

The Cooperative will ordinarily read all meters once each month. Special readings, service transfers, disconnects and reconnects, at the member's request, during regular business hours, which do not require a service crew or bucket truck, will be billed at \$50 per visit. If a service crew or a bucket truck is required to complete any of these services during regular business hours, the service call fee will be billed at \$100 per visit. Disputed meter reading will be billed at \$50 except when readings are found to be in error. All reconnects and calls for service that occurs after business hours, on weekends or holidays, will be billed at \$150 per visit.

6 Billing

Bills for electric energy consumption will be mailed to customers in accordance with an approved meter reading schedule that is subject to change at the discretion of the Cooperative.

7 Due Date

Bills are due when rendered.

8 Delinquent Bills & Penalties

- 8.1 Unpaid bills for electric service become delinquent if payment is not received in a FKEC office by 5:00 P.M. on the 20th day after the mailing date shown on the bill. If such date falls on Saturday, Sunday, a national holiday or a holiday observed by FKEC, the next regular business day is deemed to be the date

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.55)  
Effective: October 1, 2011

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-11-005

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: September 23, 2011

*Marshall Willis*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



**NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.**  
(Continued From Sheet No. 4.54)

the depository at the Cooperative offices after 5:00 P.M. will be deemed to have been paid on the next regular business day.

**8.2** Delinquent amounts due are subject to a late payment penalty of 1.5% per month of the total amount owed, if the total amount owed is \$5 or more. After application of the late payment penalty, the delinquent amount due includes both the original amount due and the late payment penalty. If a bill remains unpaid for more than one billing cycle, additional late payment charges will be made on the total amount owed at the same rate.

**8.3** Certain accounts will NOT be subject to late payment penalties, as follows:

**8.3.1** Any account with 24 months of continuous good credit history, as defined in section 3, will not be subject to a late payment penalty. These accounts will, however, be marked as delinquent in the credit history for future reference.

**8.3.2** Accounts in the name of federal, state, county and municipal government entities will not be subject to late payment penalties. However, these entities may be billed for interest and/or other charges permitted under any applicable laws for failure to pay billed amounts promptly. To encourage payment, these accounts will be marked as delinquent in the credit history for future reference.

**8.3.3** Accounts qualifying for payment by pre-authorized bank draft under section 18 will not be subject to late payment penalties. Since the accounts will be paid by the delinquent date, these accounts will not receive disconnect notices or be marked as delinquent in the credit history.

**9** **Disconnect Notice & Disconnect Procedure**

**9.1** A disconnect notice will be mailed to any accounts subject to the late payment penalty per sections 8.1 and 8.2, except for accounts specifically excluded in section 9.2, if the delinquent amount due exceeds both \$75 and one-half of the billing deposit on that account. The disconnect notice will show the account number, delinquent amount due,

Issued by: Charles A. Russell  
General Manager

(Continued on Sheet No. 4.56)  
Effective: September 1, 1993

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JUL 15 1993

Florida Public Service Comm.  
Authority No. CE-93-7

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet No. 4.55)

billing date, disconnect date, collection fee, reconnect fee, disconnect fee, after hours reconnect fee and the procedure for reconnection of services disconnected for non-payment. If payment in full of the amount due per the disconnect notice is not received in a Cooperative office by 5:00 P.M. the day prior to the scheduled disconnect date, the account is subject to disconnect if the amount then due exceeds both \$75 and one-half of the billing deposit on that account. The disconnect date will be the next scheduled meter reading date.

9.2 Certain accounts will NOT be subject to non-pay disconnect, as follows:

9.2.1 Accounts serving persons who have provided qualifying documented evidence of dependence on electrically operated life support and/or monitoring devices will not be subject to non-pay disconnect. Qualifying documented evidence must include signature by a licensed physician. If the credit and payment history for a life support account indicates that it would have qualified for disconnect per section 9.1, except for its status as a life support account, the Cooperative shall have the right to:

9.2.1.1 Require an additional deposit per section 2, and;

9.2.1.2 Require that a member on life support supply a written agreement, wherein another person with a documented good credit history agrees to guarantee payment of any delinquent amounts due on the life support account(s) in the name of the member. The guarantor will be notified by letter of any delinquent amounts due on accounts that he/she has agreed to be responsible for.

9.2.2 Accounts in the name of federal, state, county and municipal government entities will not be subject to disconnection. However, to encourage payment, these accounts will be marked as delinquent and will be mailed a disconnect notice.

9.2.3 If a member billed at the residential rate has received continuous service at an account location for three (3) years or more and the account shows 24 months of continuous good credit history, as defined in section 3, the account will not be mailed a disconnect notice, nor will it be subject to disconnect at this time.

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(Continued on Sheet No. 4.57)  
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NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.56)

account shows 24 months of continuous good credit history, as defined in Section 3, the account will not be mailed a disconnect notice, nor will it be subject to disconnect at this time.

9.2.4 Accounts qualifying for payment by pre-authorized bank draft under Section 18 will not be subject to non-pay disconnect, since these accounts will be paid prior to the scheduled disconnect date.

10 Reconnection of Service After Disconnection for Non-Payment

10.1 If the service has been disconnected for non-payment, it will not be reconnected until ALL of the following conditions are met.

10.1.1 The delinquent amount due is paid.

10.1.2 All disconnect and reconnect fees are paid.

10.1.3 A deposit or additional deposit, as required under Sections 1 & 2 of this policy, is paid.

10.2 However, if the account has been disconnected for 25 days or more, the account will not be reconnected until ALL of the following conditions are met.

10.2.1 All amounts, including delinquent amount due, charges for electricity used prior to disconnection, any fees and other charges are paid in full.

10.2.2 Reconnect fee is paid.

10.2.3 A billing deposit, as required under Sections 1 & 2 of this policy, is paid.

11 Collection of Disconnect Notices

In every case when a service person makes collection on a delinquent bill in lieu of disconnecting the service, a collection fee of \$50 will be added to the bill. The delinquent amount due per the disconnect listing must be paid to avoid disconnection. The service person will not accept a partial payment.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.58)  
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FLORIDA PUBLIC SERVICE COMMISSION

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ORDER NO. N/A

APPROVED: September 23, 2011

*Marshall Willis*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.57)

The amount due per the disconnect listing must be paid in cash or by cashier's check, credit card, debit card, U.S. postal money order or bank wire if the credit history of the account shows one or more returned checks or drafts within 24 months.

12 Returned Checks and Drafts

Checks, bank drafts, credit card chargebacks or other bank debits returned from financial institutions as uncollectible will be handled by office personnel as required, and the member will be billed a fee of \$30 per returned item. Checks and drafts returned by a financial institution will not be re-deposited.

12.1 If the returned item was for the payment of a billing deposit on a new account or was against the previous month's bill, the amount exceeds both \$75 and one-half of the billing deposit on the account, and the account was not exempt from disconnect for reasons contained in Section 9.2, the following actions will be taken:

12.1.1 The account will be contacted by telephone or by tagging the service premise, to advise that payment must be received for the full amount of the returned item by 5 P.M. the following work day.

12.1.2 A "cash only" note with a two-year expiration date will be added to the account.

12.1.3 If payment is not received by 5 P.M. on the day per Section 12.1.1, the account will be disconnected on the following work day.

12.2 If the returned item is for the current month or does not otherwise meet the criteria in Section 12.1, the account will be contacted by telephone or by tagging the service premise to advise that the full amount of the returned item needs to be paid as soon as possible.

13 Miscellaneous

13.1 If the meter reader is unable to read a member's meter because of locked

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(Continued on Sheet No. 4.59)  
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DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



**NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.**  
(Continued From Sheet No. 4.58)

requesting arrangements be made to assure consistent access to the meter for reading and service. A third estimate of usage within any 12 month period will cause the mailing of notice that access to the account must be arranged or the account will be subject to disconnection within 20 days of the next estimation caused by inaccessibility. Upon the fourth estimate within any 12 month period, a notice of disconnection will be mailed to the member stating that reasonable access must be provided to the account within 20 days or the service will be disconnected on the 21st day after the date of the notice of disconnection. Determination of what constitutes reasonable access will be made by the Cooperative based on prudent utility practices.

- 13.2 If a member intends to be absent from the Cooperative area for an extended period of time without a forwarding address but wishes to continue the electric service, the member may make an advance payment against which the member's monthly bills will be charged. It is member's responsibility to assure that the advance payment is adequate to cover the period during which the member expects to be absent.
- 13.3 If a former member applies for service and the Cooperative records show an unpaid bill outstanding in the applicant's name, service will not be connected on such new account until the outstanding bill is paid plus the payment of all costs of collection, including reasonable attorney's fees. The deposit required in this case will be the higher of: two times the unpaid prior bill, or the billing deposit required under section 1.

**14 Meter Tampering**

Only an authorized representative of the Cooperative may remove meters, meter seals, connections, or any property of the Cooperative on or about a member's premises. Whenever evidence is found of tampering with the meter or with any wiring, electrical equipment, or instrumentation between the line side of the meter and the electrical distribution system being used to furnish service to the member which would result in the diversion or non-registration of electric energy, and/or the installation of meter seals other than those installed by FKEC on member's meter, the member served by such meter will be assessed a penalty charge of \$250 plus any other expenses incurred. In addition, the member will be subject to penalties as provided in the Florida Statutes, Section 812.14, and for the estimated cost of energy consumed while the meter was not operating properly due to the installation of the diversion facilities. Such tampering may be deemed to be cause for disconnection of electric service and/or legal action and criminal prosecution as provided in Section 812.14, Florida Statutes.

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General Manager

(Continued on Sheet No. 4.60)  
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NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.59)

registration of electric energy, and/or the installation of meter seals other than those installed by FKEC on member's meter, the member served by such meter will be assessed a penalty charge of \$250 plus any other expenses incurred. In addition, the member will be subject to penalties as provided in the Florida Statutes, Section 812.14, and for the estimated cost of energy consumed while the meter was not operating properly due to the installation of the diversion facilities. Such tampering may be deemed to be cause for disconnection of electric service and/or legal action and criminal prosecution as provided in Section 812.14, Florida Statutes.

The removal or cutting of a meter seal by a member or other unauthorized person acting on behalf of the member or anyone using the facilities of the member will result in a service fee representing Cooperative out-of-pocket costs to correct the condition, plus a meter test fee as well as the \$250 penalty assessment. Whenever these conditions are found at a member's premises, service personnel will correct the condition by installing a new seal and/or other associated equipment, as required, and the meter will be tested to assure that it is operating within the prescribed limits of accuracy.

15 Outages and Service Request after Working Hours

A member's request for service or outage response after regular business hours or on weekends or holidays will be performed on FKEC owned equipment only at no-charge. Any adjustments to or service work performed on equipment not owned by FKEC (example - member's fuse) will be billed to the member at a fee of \$150.

16 Temporary Construction

Costs of temporary overhead construction, which must later be removed upon installation of permanent facilities, will be billed to the member to include all labor and material and overhead costs of the Cooperative incurred in performing this work. Credit will be issued for any materials recovered upon the removal of the temporary facilities less the costs of removing such temporary facilities.

Temporary overhead service provided for building construction purposes and later utilized for the permanent connection to a residence will be billed at \$250 and for general service & general service demand installation at \$350, both including the installation of one electric meter.

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Chief Executive Officer

(Continued on Sheet No. 4.61)  
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*Marshall Willis*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.60)

17 New Electric Service Connection

The installation of a permanent overhead electric service entrance to a member's facilities, not utilizing temporary construction, will be billed for a residence at \$225 and for a general service & general service demand installation at \$300, both including the installation of one electric meter.

18 Check Payments and Bank Drafts

Checks and bank drafts will be accepted from members in payment of amounts due, subject to collection.

Member accounts may be paid automatically each month by pre-authorized bank draft. To be eligible for draft payment, the account may not have any history of returned checks within the past 24 months, the member's financial institution must participate in the Automated Clearing House (ACH) system, and the member must sign a Bank Draft Authorization Agreement listing each account to be drafted. Authorized accounts will be drafted monthly for the full amount of all outstanding charges. If a draft is returned for insufficient funds, the effected account(s) will be canceled from the bank draft program and a fee for the returned item will be billed to the account. Unless canceled by the terms of this Policy Bulletin, a Bank Draft Authorization Agreement will remain in effect until written notification of cancellation is provided by either the member, the participating financial institution or the Cooperative.

19 Credit Card Payments and Automatic Credit Card Payments

Credit Card payments and Automatic Credit Card payments will be accepted from members for the payment of amounts due, subject to collection. Member accounts may be paid automatically each month by Credit Card. In order to participate in the Automatic/Recurring Credit Card Payment Program the member must sign the Monthly Credit Card Payment Authorization Agreement listing each account to be drafted. Authorized accounts will be drafted monthly for the full amount of all outstanding charges. If a credit card is declined twice in a 24 month period the effected account(s) will be cancelled from the Automatic Payment Program immediately and the member will be notified by letter. Any Credit Card Payment returned to FKEC as Dishonored, Disputed, or Charged Back will be subject to a dishonored credit card fee. A 12-months history free of returned items must be maintained before an account may be eligible for participation in the Automatic Payment Program. FKEC reserves the right to cancel an account from the program 30 days after notification of an expiring credit card. Unless cancelled by the terms of this Policy Bulletin, a Monthly Credit Card Payment Authorization Agreement will remain in effect until written notification of cancellation is

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.62)  
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FLORIDA PUBLIC SERVICE COMMISSION

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*Marshall Willis*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.61)

provided by either, the member, the participating financial institution, or the Cooperative.

20 Meter Test

A member requesting a test of the electric energy meter serving the account will be billed a meter test fee of \$50 for a single phase meter and \$50 for a polyphase or demand meter if the meter is found registering with the prescribed limits of accuracy. There will be no meter test fee if the meter reflects usage outside of the limits established by the Florida Public Service Commission.

21 Line Extension Policy

Installation of primary or secondary lines in an area that does not already have distribution facilities adequate to serve a new consumer will be scheduled in accordance with the following table:

<u>Length of Line Extension</u>	<u>Consumer Site Construction Status</u>
4 spans	Construction started; building laid out on site; foundation dug.
8 spans	Roof tie beam in place; rough, unfinished shell.
Over 8 spans	Certificate of Occupancy; cleared R/W easement; survey to establish line location.

If the consumer pays a refundable customer advance equal to the estimated construction cost of the distribution facility improvements required to provide service to the new location, line construction will be scheduled for completion earlier than shown in the above table. The customer advance will be refunded when a Certificate of Occupancy is issued for the consumer's facility.

22 Three Phase Service

22.1 Overhead Construction

Three phase service will be provided in accordance with established rate schedules at no additional cost for facilities under the following conditions:

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Chief Executive Officer

(Continued on Sheet No. 4.63)  
Effective: October 1, 2011



FLORIDA PUBLIC SERVICE COMMISSION

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APPROVED: September 23, 2011

*Marshall Willis*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.62)

22.1.1 if the continuous running three phase load is 10 HP or more (i.e. - air conditioners, walk-in freezers, etc.);

22.1.2 if the continuous running three phase load is less than 10 HP and the required line extension to provide three phase service is two spans or less.

If the continuous running load is less than 10 HP and the required line extension to provide three phase service is more than two spans, three phase service will be provided after payment of a contribution in aid of construction equal to the estimated labor and overhead costs to install the distribution lines and equipment in excess of two spans needed to provide the service. Such contributions in aid of construction will not be subject to refund after installation of the subject distribution facilities.

22.2 Underground Construction

22.2.1 if the continuous running three phase load is 25 HP or more the line extension will be provided according to FKEC Policy Bulletin No. 203.8

22.2.2 if the continuous running three phase load is less than 25 HP, three phase service will be provided after a payment of Contribution in Aid of Construction equal to the estimated cost to provide and install the lines and equipment.

23 Schedule LS - Outdoor Lighting Service

Members may request the installation of outdoor lighting service as outlined in the tariff for year-round lighting of yards, driveways, walkways, highways, roads, etc. by high pressure sodium lamps or LED lamps. Outdoor lighting service is not intended to illuminate parking lots, billboard signs, commercial facilities, such as used car lots, etc.; however, the service is intended to provide security lighting or street lighting for members.

The Cooperative will not install outdoor lighting service at any location where such service may be objectionable to others. If it is found after installation that the light is objectionable, the Cooperative may terminate such lighting service. However, if the objectionable feature of the light can be eliminated by painting, shielding or masking a portion of the refractor, this will be done and a charge of \$100.00 will be made against the member who contracted for the light to cover the cost of such painting, shielding or masking.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.64)  
Effective: October 1, 2015

FLORIDA PUBLIC SERVICE COMMISSION

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ORDER NO. N/A

APPROVED: August 18, 2015

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 4.63)

If, at a later date, the member requests that the painting, shielding or masking be removed, a new refractor will be installed, and a charge of \$50 made against the member who contracted for the light to cover the cost of the new refractor.

24 Furnishing and Setting Poles for Members

The Board of Trustees recognizes that there may be a need for the installation of 25-foot meter poles on a member's property in order to provide electric service. All 25-foot meter poles will be constructed of concrete. These installations will conform with the requirements specified by the Cooperative, the National Electric Code and Monroe County Zoning regulations. Personnel of the Cooperative will furnish and install the poles at a cost to the member of \$1,000.

In the event that a special pole is required, the developer/member will be required to pay the cost difference between the requested pole and a standard pole. Members requesting installation of poles on private property for purposes other than utility service should be referred to the commercial companies for such installation.

25 Underground Facilities

The Cooperative will assist with the installation of underground facilities. Please refer to the FKEC Underground Policy Bulletin No. 203.8 for complete details.

26 Area Coverage

The Cooperative will provide service for all residential, church, public buildings, commercial, industrial, multiple service use, street and security lights in the Cooperative service area at the regularly established rates and minimums without any contribution in aid of construction except such charges as may be provided in the rate schedules or herein.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 4.65)  
Effective: November 25, 2013

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

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APPROVED: December 5, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet No. 4.64)

27 Liability for Service

The following will explain Florida Keys Electric Cooperative's (FKEC) policy with respect to liability for service under the law.

FKEC will use reasonable diligence in furnishing a regular and uninterrupted supply of energy but does not guarantee uninterrupted service. FKEC shall not be liable for damages in case such supply should be interrupted or fail by reason of an act of God, the public enemy, sabotage, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to machinery, transmission lines, distribution lines or other facilities of the company, extraordinary repairs or any other cause whatsoever or, by reason of any act of FKEC including the interruption of service to any consumer, taken to prevent or limit the extent or duration of interruption, instability or disturbance on the electric system of FKEC or any electric system interconnected, directly or indirectly, with FKEC's system, whenever such act is necessary or indicated in the sole judgment of FKEC. FKEC shall not be liable for damages to a member's premises, including, but not limited to, a member's electronic equipment, caused by lightning transmitted over or through FKEC's transmission and/or distribution lines to the member's premises.

The point at which service is delivered by FKEC to the member, to be defined as "service point" in the NEC, shall be the point at which the member's facilities are connected to FKEC facilities. FKEC shall not be liable to the member or to anyone receiving electric power from the member's facilities for any loss, injury or damage resulting from the member's use of his equipment or occasioned by the energy furnished by FKEC beyond the service point.

The member shall provide and maintain suitable protection devices on his equipment to prevent any loss, injury or damage that might result from low voltage or single phasing conditions or any other fluctuation or irregularity in the supply of energy. FKEC shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices.

Issued by: Charles A. Russell  
General Manager

(Continued on Sheet No. 4.66)  
Effective: March 1, 1997

APPROVED

FEB 3 1997

Florida Public Service Comm.  
Authority No. CE-97-01

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet No. 4.65)

**28    Condominium Common Areas**

Accounts serving common facilities and common areas of residential condominium or cooperative apartments can qualify for billing under the residential tariff if the following conditions are met:

- 28.1 The developer has relinquished control of the condominium or cooperative association to the unit owners as evidenced by the fact that less than half of the directors on the Association's Board of Directors represents the developer and FKEC has been provided with satisfactory evidence of this fact.
- 28.2 The account is in the name of the condominium or cooperative Association.
- 28.3 Appropriate officers of the condominium or cooperative Association certify that 100% of the energy supplied to the accounts for use in the commonly-owned facilities or common areas to which the residential rate applies will be used exclusively for the benefit of the co-owners or their guests or tenants and that none of the energy supplied to those accounts will be used in any endeavor intended to produce a profit by selling or renting a commodity or providing a service for a fee. Commonly-owned shall mean that the property owners within the Association are legally required to be members thereof and to share in the ownership and participate in the operation of said facilities or areas.
- 28.4 The Association is a legally constituted non-profit corporation authorized to do business in the State of Florida.
- 28.5 Common facilities and areas are within the legal boundaries of the condominium or cooperative property.
- 28.6 The Association provides appropriate deposit and the Association guarantees payment.

Issued by: Charles A. Russell  
General Manager

(Continued on Sheet No. 4.67)  
Effective: June 1, 1997

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APR 21 1997

Florida Public Service Comm.  
Authority No. CE-97-04



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet No. 4.66)

- 28.7 The Association agrees that proper application of residential and/or general service or general service demand rates shall be the joint responsibility of the Association and of FKEC, but FKEC may adjust incorrect billing by billing retroactively regardless of lack of proper notification by the Association.
- 28.8 Energy used in the operation of facilities such as laundry facilities, swimming pools, tennis courts, club houses, recreational centers, marinas, gas pumps, auditoriums, medical clinics, restaurants or snack shops, food or drink dispensers, real estate or their professional offices, or the like, if the operation of same involves selling or renting of commodities or providing service for a fee shall be billed at a general service or general service demand rate. Other accounts serving the common areas for the benefit of the co-owners, only, qualify for a residential rate.
- 28.9 No accounts providing energy for use in any facility or any area of a residential facility in which accommodations are sold or leased on a time-sharing basis shall qualify for the residential rate. To the contrary, all accounts will be billed on the appropriate general service or general service demand rate as is the case in a hotel or motel.

Issued by: Charles A. Russell  
General Manager

Effective: June 1, 1997

APPROVED

APR 21 1997

Florida Public Service Comm.  
Authority No. CF-97-04

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

Miscellaneous Fees & Charges

<u>Description</u>	<u>Amount</u>
Walk-through audit	no charge
Customer assisted audit	no charge
Residential energy conservation audit	\$15.00
Underground differential	owner furnishes & installs underground facilities with the Cooperative offering credit for estimated cost of an equivalent overhead system

Issued by: Edmund M. Grant  
General Manager

Effective: March 31, 1983

APPROVED

FEB 3 1986

Florida Public Service Comm.

Att. City No. CE-86-16



FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

POLICY BULLETIN 206.1

GENERAL SERVICE - NON-DEMAND - RATE SCHEDULE GS  
RATE CODE 2

APPLICABILITY:

Applicable to commercial, industrial, multiple use and other purposes, where monthly demand, if measured, does not exceed 35 KW, subject to the established rules and regulations of the Seller.

CHARACTER OF SERVICE:

Single or three phase, 60 cycles, at available secondary voltages. All service required on premises by consumer shall be furnished through one meter.

Standby or resale service not permitted hereunder.

MONTHLY SERVICE RATE:

Daily System Access Charge  
\$1.40 per day

Energy Charge  
1000 kwh and below \$0 (no charge)  
1001 kwh and above @ \$.023

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be \$39.20.

TERM OF SERVICE:

Open Order.

POWER COST CALCULATION (PCC):

The above rates shall be increased by power cost in accordance with the formula specified in the "Power Cost Calculation" section incorporated as part of this Rate Schedule.

FORMULA REVENUE REQUIREMENT RIDER SCHEDULE FRR-1:

The above rates may be increased or decreased in accordance with the terms of the "Formula Revenue Requirement Rider Schedule FRR-1" section incorporated as part of this rate schedule.

LOAD MANAGEMENT:

The above rates shall be reduced for all customers with load management devices installed, as specified in the "Load Management" section incorporated as part of this Rate Schedule.

TAX ADJUSTMENT:

The above rates shall be increased by the tax adjustment in accordance with the terms of the "Tax Adjustment Clause" section incorporated as part of this rate schedule.

Issued by: Scott Newberry  
Chief Executive Officer

Effective: November 1, 2015

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-15-008

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ORDER NO. N/A

APPROVED: August 18, 2015

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(continued from Sheet No. 5.0)

Rate Schedule GS cont'd.

C = projected current month purchased power cost

D = projected current month fuel cost for power generated by FKEC

E = projected current month KWH sales

F = beginning true-up balance

G = prior month actual KWH sales

H = prior month true-up per KWH (i.e. - B computed in the prior month)

I = prior month actual power cost

J = prior month projected power cost per KWH (i.e. - A computed in the prior month)

T = the state of Florida revenue tax rate applicable to power cost revenue

Issued by: Edmund M. Grant  
General Manager

Effective: January 1, 1985

**APPROVED**

JAN 9 1985

Florida Public Service Commission  
Authority No. CE-84-12



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

GENERAL SERVICE - DEMAND - RATE SCHEDULE GSD  
RATE CODE 3

APPLICABILITY:

Applicable to commercial, industrial, multiple use and other purposes where measured monthly demand exceeds 35kw, subject to the established rules and regulations of the Seller.

CHARACTER OF SERVICE:

Single or three phase, 60 cycles, at available secondary voltages.

All service required on premises by consumer shall be furnished through one meter.

Standby or resale service not permitted hereunder.

MONTHLY SERVICE RATE:

Daily System Access Charge  
\$2.50 per day.

Demand Charge  
First 35 kw @ No Charge  
Over 35 kw @ \$5.65 per kw

Energy Charge  
All kwh @ \$.023

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be \$70.00.

TERM OF SERVICE:

Not less than one year.

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 5.6)  
Effective: October 1, 2011

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-11-005

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: September 23, 2011

*Marshall Willis*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(continued from Sheet 5.5)

Rate Schedule GSD cont'd.

**POWER FACTOR ADJUSTMENT:**

The consumer agrees to maintain unity power factor as nearly as possible. Demand charges will be adjusted for consumers with 35 kw or more of measured demand to correct for peak power factors lower than 90 percent. Such adjustment will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90 percent.

**POWER COST CALCULATION (PCC):**

The above rates shall be increased by power cost in accordance with the formula specified in the "Power Cost Calculation" section incorporated as a part of this rate schedule.

**FORMULA REVENUE REQUIREMENT RIDER SCHEDULE FRR-1:**

The above rates may be increased or decreased in accordance with the terms of the "Formula Revenue Requirement Rider Schedule FRR-1" section incorporated as part of this rate schedule.

**LOAD MANAGEMENT:**

The above rates shall be reduced for all customers with load management devices installed, as specified in the "Load Management" section incorporated as part of this Rate Schedule.

**TAX ADJUSTMENT:**

The above rates shall be increased by the tax adjustment in accordance with the terms of the "Tax Adjustment Clause" section incorporated as part of this rate schedule.

**CONDITION OF SERVICE:**

1. All wiring, pole lines and other electrical equipment beyond the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

2. If service is furnished at Seller's primary line voltage, a discount of seven (7) percent shall apply to the demand and energy charge. The delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise approved by the Seller. All wiring, pole lines and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

**GENERAL:**

These rates do not apply for standby service for which a separate contract will be negotiated.

Issued by: Scott Newberry  
Chief Executive Officer

Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(continued from Sheet 5.6)

Rate Schedule GSD cont'd.

CONDITION OF SERVICE:

1. All wiring, pole lines and other electrical equipment beyond the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

2. If service is furnished at Seller's primary line voltage, a discount of seven (7) percent shall apply to the demand and energy charge. The delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise approved by the Seller. All wiring, pole lines and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

GENERAL:

These rates do not apply for standby service for which a separate contract will be negotiated.

Issued by: Edmund M. Grant  
General Manager

Effective: June 1, 1987

APPROVED

JUN 1 1987

Florida Public Service Comm.

Authority No. CE-87-5

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

POLICY BULLETIN NO. 206.2

RESIDENTIAL SERVICE - RATE SCHEDULE RS  
RATE CODE 1

APPLICABILITY:

Applicable to all private residences, individually metered apartment units, churches and common areas of residential condominium associations subject to the established rules and regulations of the Seller.

CHARACTER OF SERVICE:

Single-phase, 60 cycles, at available voltages.

All residential service required on the premises of a member shall be supplied through one meter.

Standby or resale service not permitted hereunder.

MONTHLY SERVICE RATE:

Daily System Access Charge  
\$1.00 per day  
charge)

Energy Charge  
1000 kwh and under \$0 (no  
1001 kwh and above @ \$.033

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be \$28.00

TERM OF SERVICE:

Open Order

POWER COST CALCULATION (PCC):

The above rates shall be increased by power cost in accordance with the formula specified in the "Power Cost Calculation" section incorporated as part of this Rate Schedule.

FORMULA REVENUE REQUIREMENT RIDER SCHEDULE FRR-1:

The above rates may be increased or decreased in accordance with the terms of the "Formula Revenue Requirement Rider Schedule FRR-1" section incorporated as part of this rate schedule.

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-15-008

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 18, 2015

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet 6.0)

Rate Schedule RS cont'd.

**LOAD MANAGEMENT:**

The above rates shall be reduced for all customers with load management devices installed, as specified in the "Load Management" section incorporated as part of this Rate Schedule.

**TAX ADJUSTMENT:**

The above rates shall be increased by the tax adjustment in accordance with the terms of the "Tax Adjustment Clause" section incorporated as part of this rate schedule.

**TERMS OF PAYMENT:**

The above charges are net.

Issued by: Scott Newberry  
Chief Executive Officer

Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

**OUTDOOR LIGHTING SERVICE - RATE SCHEDULE OL1**  
**RATE CODE 6**  
**(CLOSED SCHEDULE)**

**APPLICABILITY:**

Applicable to all consumers for year-round outdoor lighting of yards, driveways, walkways, highways, roads and other areas by mercury vapor lamps. Lights shall be at locations, which are easily and economically accessible to Cooperative equipment and personnel for construction and maintenance.

Outdoor lights will be installed on existing facilities in areas where a lighting system is either not provided or is not sufficient to cover the lighting needs of a particular consumer or location.

The Member agrees to permit any tree trimming required for the service conductors and lighting unit or units. The Member agrees that where he is the owner of the land, he will grant an easement to the Cooperative for the purpose of installing all necessary electrical equipment and connections. Where the Member is not the owner of the land, the Member agrees to procure the consent of the owner of said property, and where such consent is necessary, the Member agrees to procure the signature of the owner to the consent clause at the end of the Agreement.

**SERVICE:**

Service includes lamp renewals, energy from approximately dusk each day until approximately dawn the following day, and repair and replacement of facilities.

Consumer shall be solely responsible for notifying the cooperative of any required repair and replacement services to the facilities, and such services shall be provided during regular daytime working hours, Monday through Friday, as soon as practicable after verification.

Any positioning or lumen adjustments requested by the member, after installation, will be billed at the applicable Streetlight Adjustment Fee (referenced in Schedule of Miscellaneous Fees).

The cooperative does not warrant or guarantee that the service provided hereunder shall meet any lighting standard, including, but not limited to, the location of the facilities and the illumination provided. Neither does the cooperative guarantee or insure continuous and uninterrupted service.

Consumer waives any claim, liability, damage (both as to persons and property, including death), costs, expenses and attorney fees (collectively referred to for purposes of this policy and tariff as "claims") that the consumer may have or assert against the cooperative arising out of the service provided hereunder, or the failure, interruption, inadequacy, or insufficiency of the service provided. Consumer shall defend, indemnify, and hold harmless the cooperative from all claims asserted against the cooperative arising out of the services provided hereunder, or the failure, interruption or insufficiency of the service provided.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 7.1)  
Effective: November 1, 2013

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-020

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: October 8, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 7.0)

Rate Schedule OL1 cont'd.

The Cooperative may interrupt the service at any time without notice for repairs to the facilities, or for purposes related to the cooperative's distribution system, that the cooperative determines to be necessary.

<u>MONTHLY SERVICE RATE:</u>	<u>Unit Monthly Rate</u>
7,000 lumen Mercury vapor luminaire	\$8.00
11,000 lumen Mercury vapor luminaire	\$9.00
One pole and span overhead conductor installed prior to November 1, 2004	\$8.00

No credit shall be allowed for lamp outages.

For lighting service, the calculated average kWh used per lamp is: 7,000 lumens mercury vapor, 78 kWh; 11,000 lumens mercury vapor, 105 kWh.

POWER COST CALCULATION (PCC):

The above rates shall be increased by power cost in accordance with the formula specified in the "Power Cost Calculation" section incorporated as a part of this Rate Schedule.

FORMULA REVENUE REQUIREMENT RIDER SCHEDULE FRR-1:

The above rates may be increased or decreased in accordance with the terms of the "Formula Revenue Requirement Rider Schedule FRR-1" section incorporated as part of this rate schedule.

TAX ADJUSTMENT:

The above rates shall be increased by the tax adjustment in accordance with the terms of the "Tax Adjustment Clause" section incorporated as part of this rate schedule.

TERM OF SERVICE:

The minimum term shall be for five (5) years and shall thereafter be extended from year to year until either party shall give thirty (30) days written notice of cancellation. The cooperative reserves the right, upon the cancellation of service, to hold all funds placed by the Member for deposit for a minimum period of thirty (30) days so that the Cooperative may determine whether or not monies are owed by the Member to the Cooperative for any reason. If it is determined that the Member owes money to the Cooperative or if the Member is delinquent in the payment of any other bill for electric service owed the Cooperative, the Member agrees that all the monies from the installation Deposit and / or the Guarantee Billing Deposit may be transferred by the Cooperative and applied to the payment of such unpaid accounts.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 7.2)  
Effective: March 1, 2014

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-14-002

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: February 3, 2014

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(continued from Sheet 7.1)

Rate Schedule OL1 cont'd.

**DEPOSIT:**

A deposit may be required up to one-half the contract amount.

**REQUIREMENT:**

The Cooperative will not install equipment at any location where services may be objectionable to others. If it is found after installation that the light is objectionable the Cooperative may terminate service. The Cooperative reserves the right to cancel this agreement at any time, on giving thirty (30) days written notice to the Member in which event the Member shall pay for all energy consumed until the effective date of cancellation, and the Cooperative shall then refund the installation deposit, less any sums then due the Cooperative.

Issued by: **Scott Newberry**  
Chief Executive Officer

Effective: **July 11, 2007**

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

**OUTDOOR LIGHTING SERVICE - RATE SCHEDULE OL3**  
**RATE CODE 6**

**APPLICABILITY:**

Applicable to all consumers for year-round outdoor lighting of yards, driveways, walkways, highways, roads and other areas by light emitting diode (LED) lamps. Lights shall be at locations, which are easily and economically accessible to Cooperative equipment and personnel for construction and maintenance.

Outdoor lights will be installed on existing facilities in areas where a lighting system is either not provided or is not sufficient to cover the lighting needs of a particular consumer or location.

The Member must permit any tree trimming required for service conductors and lighting unit or units. The Member must agree that where he is the owner of the land, he will grant an easement to the Cooperative for the purpose of installing all necessary electrical equipment and connections. Where the Member is not the owner of the land, the Member must procure the consent of the owner of said property, and where such consent is necessary; the Member must procure the signature of the owner to the consent clause at the end of the Outdoor Lighting Service Agreement.

**SERVICE:**

Service includes lamp renewals, energy from approximately dusk each day until approximately dawn the following day, and repair and replacement of facilities.

Consumer shall be solely responsible for notifying the Cooperative of any required repair and replacement services to the facilities, and such services shall be provided during regular daytime working hours, Monday through Friday, as soon as practicable after verification.

Any positioning or lumen adjustments requested by the member, after installation, will be billed at the applicable Streetlight Adjustment Fee (referenced in Schedule of Miscellaneous Fees).

The Cooperative does not warrant or guarantee that the service provided hereunder shall meet any lighting standard, including, but not limited to, the location of the facilities and the illumination provided. Neither does the cooperative guarantee or insure continuous and uninterrupted service.

Consumer waives any claim, liability, damage (both as to persons and property, including death), costs, expenses and attorney fees (collectively referred to for purposes of this policy and tariff as "claims") that the consumer may have or assert against the Cooperative arising out of the service provided hereunder, or the failure, interruption, inadequacy, or insufficiency of the service provided. Consumer shall defend, indemnify, and hold harmless the Cooperative from all claims asserted against the Cooperative arising out of the services provided hereunder, or the failure, interruption or insufficiency of the service provided.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 7.22)  
Effective: November 1, 2013

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-020

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: October 8, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 7.21)

Rate Schedule OL3 cont'd.

The Cooperative may interrupt the service at any time without notice for repairs to the facilities, or for purposes related to the cooperative's distribution system, that the cooperative determines to be necessary.

**MONTHLY SERVICE RATE:**

Nominal Initial Ratings  
Light Emitting Diode (LED)

LED Luminaries	Unit Monthly Rate
3,364 Lumen	\$13.00
4,806 Lumen	\$15.00
One pole and span overhead conductor installed prior to November 1, 2004	\$ 8.00

No credit shall be allowed for lamp outages.

For lighting service, the calculated average kWh used per lamp is: 3,364 lumens, 13 kWh; 4,806 lumens, 20 kWh.

**POWER COST CALCULATION (PCC):**

The above rates shall be increased by power cost in accordance with the formula specified in the "Power Cost Calculation" section incorporated as part of this Rate Schedule.

**FORMULA REVENUE REQUIREMENT RIDER SCHEDULE FRR-1:**

The above rates may be increased or decreased in accordance with the terms of the "Formula Revenue Requirement Rider Schedule FRR-1" section incorporated as part of this rate schedule.

**TAX ADJUSTMENT:**

The above rates shall be increased by the tax adjustment in accordance with the terms of the "Tax Adjustment Clause" section incorporated as part of this rate schedule.

**TERM OF SERVICE:**

The minimum term shall be for five (5) years and shall thereafter be extended from year to year until either party shall give thirty (30) days written notice of cancellation. The Cooperative reserves the right, upon the cancellation of service, to hold all funds placed by the Member for deposit for a minimum period of thirty (30) days so that the Cooperative may determine whether or not monies are owed by the Member to the Cooperative for any reason. If it is determined that the Member owes money to the Cooperative or if the Member is delinquent in the payment of any other bill for electric service owed the Cooperative, the Member agrees that all the monies from the installation Deposit and/or the Guarantee Billing Deposit may be transferred by the Cooperative and applied to the payment of such unpaid accounts.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 7.23)  
Effective: March 1, 2014



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-14-002

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: February 3, 2014

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet 7.22)

Rate Schedule OL3 cont'd.

**REQUIREMENT:**

The Cooperative will not install equipment at any location where services may be objectionable to others. If it is found after installation that the light is objectionable the Cooperative may terminate service. The Cooperative reserves the right to cancel this agreement at any time, on giving thirty (30) days written notice to the Member in which event the Member shall pay for all energy consumed until the effective date of cancellation, and the Cooperative shall then refund the installation deposit, less any sums then due the Cooperative.

Issued by: **Scott Newberry**  
**Chief Executive Officer**

**Effective: November 1, 2013**

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-020

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: October 8, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

**OUTDOOR LIGHTING SERVICE - RATE SCHEDULE OL2**  
**RATE CODE 6**

**APPLICABILITY:**

Applicable to all consumers for year-round outdoor lighting of yards, driveways, walkways, highways, roads and other areas by sodium lamps. Lights shall be at locations, which are easily and economically accessible to Cooperative equipment and personnel for construction and maintenance.

Outdoor lights will be installed on existing facilities in areas where a lighting system is either not provided or is not sufficient to cover the lighting needs of a particular consumer or location.

The Member must permit any tree trimming required for service conductors and lighting unit or units. The Member must agree that where he is the owner of the land, he will grant an easement to the Cooperative for the purpose of installing all necessary electrical equipment and connections. Where the Member is not the owner of the land, the Member must procure the consent of the owner of said property, and where such consent is necessary; the Member must procure the signature of the owner to the consent clause at the end of the Outdoor Lighting Service Agreement.

**SERVICE:**

Service includes lamp renewals, energy from approximately dusk each day until approximately dawn the following day, and repair and replacement of facilities.

Consumer shall be solely responsible for notifying the cooperative of any required repair and replacement services to the facilities, and such services shall be provided during regular daytime working hours, Monday through Friday, as soon as practicable after verification.

Any positioning or lumen adjustments requested by the member, after installation, will be billed at the applicable Streetlight Adjustment Fee (referenced in Schedule of Miscellaneous Fees).

The Cooperative does not warrant or guarantee that the service provided hereunder shall meet any lighting standard, including, but not limited to, the location of the facilities and the illumination provided. Neither does the cooperative guarantee or insure continuous and uninterrupted service.

Consumer waives any claim, liability, damage (both as to persons and property, including death), costs, expenses and attorney fees (collectively referred to for purposes of this policy and tariff as "claims") that the consumer may have or assert against the cooperative arising out of the service provided hereunder, or the failure, interruption, inadequacy, or insufficiency of the service provided. Consumer shall defend, indemnify, and hold harmless the cooperative from all claims asserted against the cooperative arising out of the services provided hereunder, or the failure, interruption or insufficiency of the service provided.

Issued by: **Scott Newberry**  
**Chief Executive Officer**

(Continued on Sheet No. 7.6)  
Effective: November 1, 2013

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-13-020

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: October 8, 2013

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet No. 7.5)

Rate Schedule OL2 cont'd.

The Cooperative may interrupt the service at any time without notice for repairs to the facilities, or for purposes related to the Cooperative's distribution system, that the Cooperative determines to be necessary.

**MONTHLY SERVICE RATE:**

Nominal Initial Ratings  
High Pressure Sodium

<u>Vapor Luminaries</u>	<u>Unit Monthly Rate</u>
9,500 Lumen	\$11.00
16,000 Lumen	\$12.00
One pole and span overhead conductor installed prior to November 1, 2004	\$ 8.00

No credit shall be allowed for lamp outages.  
For lighting service, the calculated average kWh used per lamp is: 9,500 lumens, 42 kWh;  
16,000 lumens, 62 kWh.

**POWER COST CALCULATION (PCC):**

The above rates shall be increased by power cost in accordance with the formula specified in the "Power Cost Calculation" section incorporated as part of this Rate Schedule.

**FORMULA REVENUE REQUIREMENT RIDER SCHEDULE FRR-1:**

The above rates may be increased or decreased in accordance with the terms of the "Formula Revenue Requirement Rider Schedule FRR-1" section incorporated as part of this rate schedule.

**TAX ADJUSTMENT:**

The above rates shall be increased by the tax adjustment in accordance with the terms of the "Tax Adjustment Clause" section incorporated as part of this rate schedule.

**TERM OF SERVICE:**

The minimum term shall be for five (5) years and shall thereafter be extended from year to year until either party shall give thirty (30) days written notice of cancellation. The Cooperative reserves the right, upon the cancellation of service, to hold all funds placed by the Member for deposit for a minimum period of thirty (30) days so that the Cooperative may determine whether or not monies are owed by the Member to the Cooperative for any reason. If it is determined that the Member owes money to the Cooperative or if the Member is delinquent in the payment of any other bill for electric service owed the Cooperative, the Member agrees that all the monies from the installation Deposit and / or the Guarantee Billing Deposit may be transferred by the Cooperative and applied to the payment of such unpaid accounts.

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 7.7)  
Effective: March 1, 2014

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-14-002

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: February 3, 2014

*James W. Dean*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued from Sheet 7.6)

Rate Schedule OL2 cont'd.

**REQUIREMENT:**

The Cooperative will not install equipment at any location where services may be objectionable to others. If it is found after installation that the light is objectionable the Cooperative may terminate service. The Cooperative reserves the right to cancel this agreement at any time, on giving thirty (30) days written notice to the Member in which event the Member shall pay for all energy consumed until the effective date of cancellation, and the Cooperative shall then refund the installation deposit, less any sums then due the Cooperative.

Issued by: **Scott Newberry**  
Chief Executive Officer

Effective: **July 11, 2007**

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FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

LOAD MANAGEMENT

APPLICABILITY:

Applicable to the monthly rate of each filed rate schedule designated as "GS", "GSD" or "RS" as indicated with reference to "Load Management."

LOAD MANAGEMENT:

Load Management credit will be applied to the bill of all consumers with load management switches who use 500 kwh or more per month as follows:

RESIDENTIAL (RS):

Swimming Pool Pumps	\$1.50/unit
Electric Water Heater (30 Amps or less per unit)	\$1.50/unit
Electric Central Heating/Air Conditioning	\$2.00/unit

COMMERCIAL (GS, GSD):

Swimming Pool Pumps	\$1.50/unit
Electric Water Heater (30 Amps or less per unit)	\$1.50/unit
Electric Central Heating/Air Conditioning (per ton)	\$1.00/ton

Issued by: Scott Newberry  
Chief Executive Officer

Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

TAX ADJUSTMENT CLAUSE

APPLICABILITY:

Applicable to the Monthly Rate of each filed Rate Schedule with reference to "Tax Adjustment."

TAX ADJUSTMENT CALCULATION

Rates shall be increased by the applicable proportionate part of any taxes and assessment imposed by any governmental authority effective on the billing date, which are assessed on the basis of meters or customers or the prices of or revenues from electric energy or utility services sold or the volume of energy generated or purchased for sale or sold.

Issued by: **Scott Newberry**  
Chief Executive Officer

Effective: July 11, 2007

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FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

POWER COST CALCULATION

APPLICABILITY:

Applicable to the Monthly Rate of each filed Rate Schedule as indicated with reference to "Power Cost Calculation." Separate power cost calculations shall be determined for the following groups of rate schedules:

PCC<sub>1</sub> - Power Cost Calculation for the RS, OL1, and OL2 rate schedules.

PCC<sub>2</sub> - Power Cost Calculation for the GS and GSD rate schedules.

The components of the PCC computations shall be determined by classification and allocation of costs to the two groups of rate schedules. The respective PCC factors shall be computed according to the following formulas.

POWER COST CALCULATION (PCC)

Rates shall be increased by power cost in dollars (\$) per kilowatt-hour to the nearest one hundred thousandth of a dollar determined as follows:

$$PCC_1 = \frac{(A + B) * R_1}{P_1} \qquad PCC_2 = \frac{(A + B) * R_2}{P_2}$$

DATA

A = projected current cycle power cost

$$\text{Where } A = (C * ((D + E + F - G) / H)) + ((M - C) * ((I + J + K) / L))$$

B = 1st prior cycle true-up balance

$$\text{Where } B = (((D + E + F - G) - (((D + E + F - G) / H) * C) + N) - O + Q)$$

C = 1st prior accounting month unbilled KWH available for sale

D = 1st prior accounting month actual purchased power costs

E = 1st prior accounting month actual load management and energy conservation program costs

F = 1st prior accounting month actual fuel cost

G = 1st prior accounting month CES losses

H = 1st prior accounting month KWH available for sale/use

$$\text{Where } H = (H1 + H2 - H3)$$

H1 = 1st prior accounting month KWH purchased

H2 = 1st prior accounting month KWH generated

H3 = 1st prior accounting month CES KWH losses

Issued By: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 7.91)  
Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet 7.9)

Power Cost Calculation (PCC) cont'd.

- I = projected current accounting month purchased power cost (FKEC only)
- J = projected current accounting month load management and energy conservation program costs
- K = projected current accounting month generation fuel cost
- L = projected current accounting month KWH available for sale

Where  $L = (L1+L2)$

L1 = projected current accounting month KWH purchases (FKEC only)  
L2 = projected current accounting month KWH generation

- M = projected current cycle KWH available for sale/use
- N = cost of fuel and purchased power for the 2nd prior accounting month unbilled KWH available (i.e. - prior month computed  $(C*((D+E+F-G)/H))$ )
- O = 1st prior cycle PCC revenue collected
- P<sub>1</sub> = projected current cycle KWH sales for RS, OL1, and OL2 rate schedules
- P<sub>2</sub> = projected current cycle kWh sales for GS and GSD rate schedules
- Q = 2nd prior cycle true-up balance (i.e. - B computed in the prior month)
- R<sub>1</sub> = cost classifier/allocator for RS, OL1, and OL2 rate schedules
- R<sub>2</sub> = cost classifier/allocator for GS and GSD rate schedules

Issued by: Scott Newberry  
Chief Executive Officer

Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

**FORMULA REVENUE REQUIREMENT**  
**RIDER SCHEDULE FRR-1**

**APPLICATION**

Formula Revenue Requirement Rider Schedule FRR-1 ("Rider" or "Rider FRR") defines the procedure by which the revenues of Florida Keys Electric Cooperative Association, Inc. ("Florida Keys Electric" or "Company") set out in Attachment A to this Rider shall be periodically reviewed and adjusted. Rider FRR is applicable to all electric service billed under the Company's rate schedules designated in Attachment A to the Rider, whether metered or unmetered.

**BILLING PROVISIONS**

**1. RATE ADJUSTMENTS**

The adjustments to the Company's rates as set forth in Attachment A to this Rider ("Rate Adjustments"), shall be added/subtracted to the Net Monthly Rates or Net Seasonal Rates in the Company's currently effective rate schedules as set out in Attachment A. The Rate Adjustments shall be determined in accordance with the provisions of Sections 2 and 3 below.

**2. ANNUAL DETERMINATION AND REVIEW**

**A. FILING DATE**

On or before February 15<sup>th</sup> of each year, the Company shall file a report with its Board of Directors ("Board") containing an evaluation of the Rate Adjustments set forth in Attachment A to this Rider prepared in accordance with the provisions of Section 3 below ("Evaluation Report"). A revised Attachment A shall be included in each such filing and shall reflect such modified Rate Adjustments as may be required under the provisions of Section 3 below.

Issued by; Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 8.1)  
Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

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ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet 8.0)

**B. REVIEW PERIOD**

The Board shall then have until March 31<sup>st</sup> of the filing year to review the Evaluation Report to ensure that it complies with the requirements of Section 3 below and that it balances the interest of both Florida Keys Electric and its member-owners. At the time each such Evaluation Report is filed, Florida Keys Electric shall provide the Board with work papers and forecasts supporting the data and calculations reflected in the Evaluation Report.

In accordance with the objective of providing quality service at minimum rates, it is the intent of this rider to allow the company to change rates (increase or decrease) in order to maintain a prudent return that is within specifically defined boundaries. Should the review indicate the earned return is below the threshold lower boundary return, the Board will contemplate an increase. If the earned return is above the threshold upper boundary return, then the Board will contemplate a decrease. However, the Board may elect not to change rates even if the Evaluation Report may indicate a rate change is required, or the Board may deviate from the formula for good reason. The Board will render its decision on or before March 31<sup>st</sup> of the each year.

**C. GENERAL RATE PROCEEDINGS**

In the event the Board initiates a general rate proceeding while this Rider FRR is in effect, the Rate Adjustments in the then currently effective Attachment A shall be revised to be zero. Such revised Rate Adjustments shall become effective on the effective date of the revised rates resulting from such a general rate proceeding.

**3. ANNUAL EVALUATION OF RATE ADJUSTMENTS**

**A. EVALUATION PERIOD**

Each annual evaluation of the Rate Adjustments shall be based on data for the twelve-month period ended December 31 of the prior calendar year ("Evaluation Period"). All data utilized in each evaluation shall be based on actual results for the Evaluation Period as recorded on the books of Florida Keys Electric in accordance with the Uniform System of Accounts and such other documentation as may be appropriate.

Issued by; Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 8.2)  
Effective: July 11, 2007

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet 8.1)

1. DEFINITION OF TERMS

A. RATE OF RETURN ON RATE BASE

The Rate of Return on Rate Base (RORB) for any Evaluation Period shall be the Company's net utility operating income divided by its rate base and shall be determined in accordance with the formula set out in Attachment B. The RORB determination shall reflect the Evaluation Period Adjustments set out and described in the Evaluation Report.

B. BENCHMARK RATE OF RETURN ON EQUITY

The Benchmark Rate of Return on Equity ("BROE") is the forward looking target return on equity of the Company. The BROE shall be determined in accordance with the formula set out in Attachment C.

C. EVALUATION PERIOD EARNED COST OF COMMON EQUITY

The Evaluation Period Cost of Common Equity ("EPROE") is the Company's earned cost of common equity at the end of the Evaluation Period and shall be determined for each Evaluation Period in accordance with the formula set out in Attachment B.

D. RATE OF RETURN ON EQUITY BANDWIDTH

There shall be a Rate of Return on Rate Base Bandwidth ("Bandwidth") around the BROE within which no change in the Rate Adjustments will be made. The upper limit of the Bandwidth ("Upper Band") shall be the BROE plus 1.00%. The lower limit of the Bandwidth ("Lower Band") shall be the BROE minus 1.00%.

2. RULES FOR CHANGING RATE ADJUSTMENTS

In each annual Evaluation Report, the determination of the change in the currently effective Rate Adjustments shall be made based on the following rules:

A. If the EPROE is less than the Lower Bandwidth, the then currently effective revenues shall be increased in accordance with the provisions of Attachment B below so that, when the Rate Adjustments so revised are applied to the Evaluation Period billing units ("kW" or "kWh"), the resulting increase in revenue would increase the EPROE for the Evaluation Period to meet the Lower Band. However, the amount of such revenue increase shall not exceed 5% of the Company's unadjusted Evaluation Period revenues.

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

**NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.**  
**(Continued From Sheet 8.2)**

**B. No change shall be made to the Rate Adjustments if the EPROE is less than or equal to the Upper Band and greater than or equal to the Lower Band.**

**C. If the EPROE exceeds the Upper Band, the then currently effective revenues shall be reduced in accordance with the provisions of Attachment B below so that, when the Rate Adjustments so revised are applied to the Evaluation Period billing units ("kW" or "kWh"), the resulting reduction in revenue would reduce the EPROE for the Evaluation Period to meet the Upper Band. However, the amount of such revenue reduction shall not exceed 5% of the Company's unadjusted Evaluation Period revenues.**

### **3. EFFECTIVE DATE AND TERM**

**Rider FRR shall be effective with bills rendered on or after April 1<sup>st</sup> and shall continue in effect until modified or terminated in accordance with the provisions of this Rider FRR or applicable regulations or laws. Nothing herein shall prevent the Florida Keys Electric or its members from proposing elimination of this Rider FRR at any time in the manner provided by the Company's By-Laws.**

**If Rider FRR is terminated in the future, then the Rate Adjustments then in effect shall continue to be added to the Net Monthly Rates or Net Seasonal Rates in Florida Keys Electric' currently effective rate schedules until such time as new general rates become effective pursuant to a final Commission order in a general rate proceeding, which may be concurrent with such termination of Rider FRR.**

#### **A. MAJOR COST ADDITIONS**

**It is recognized that Florida Keys Electric may from time to time have to construct or acquire major plant additions; make major modifications to existing plant; or incur significant new costs to comply with environmental or other laws and regulations, which are outside of the annual average increases to plant or normal expense growth. Such costs may significantly increase Florida Keys Electric' revenue requirements and thereby require rate changes, which this Rider FRR is not designed to collect. Should Florida Keys Electric construct, have constructed/sell, or purchase major plant, make major modifications to existing plant, or be required to incur substantial costs to comply with new laws or regulations, then Florida Keys Electric may increase/decrease, as provided by its By-Laws, for rate or other relief outside the provisions of this Rider. Such a request will be considered by the Commission in accordance with its rules and regulations and applicable law governing such filings.**

**Issued by; Scott Newberry  
Chief Executive Officer**

**(Continued on Sheet No. 8.4)  
Effective: July 11, 2007**



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION



**NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.**  
**(Continued From Sheet 8.3)**

**B. SPECIAL RATE FILINGS**

Nothing in this Rider shall be interpreted as preventing the Company from proposing to revise existing rate schedules or implement new rate schedules as may be appropriate. Any such rate changes shall be filed with the Commission and evaluated in accordance with the rules and procedures then in effect.

**C. FORCE MAJEURE**

In addition to the rights of Florida Keys Electric under this Rider, or as provided by law, to change rates outside the terms of this Rider, if any event or events beyond the reasonable control of Florida Keys Electric, including natural disaster, damage or loss of generating capacity, and orders or acts of civil or military authority, cause increased costs to Florida Keys Electric and result in a deficiency in revenues which is not readily capable of being redressed in a timely manner under this Rider, Florida Keys Electric may seek to increase/decrease rates outside the provisions of this Rider FRR, such requests shall be considered by the Board in accordance with its regulations and applicable By-Laws governing such actions.

**Issued by; Scott Newberry**  
**Chief Executive Officer**

**(Continued on Sheet No. 8.5)**  
**Effective: July 11, 2007**

Eleventh Revised Sheet No. 8.5  
Cancelling Tenth Revised Sheet No. 8.5

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

**Proposed Rate Adjustment to 2018 Revenues**

Line No.	Rate Group	(a) Existing Revenues	(b) Proposed Increase	(c) Proposed Revenues	(d) Percent Change
1	Residential	44,210,516	2,256,497	\$46,467,013	5.10%
2	Commercial	10,913,835	557,040	\$11,470,875	5.10%
3	Industrial	16,469,662	840,609	\$17,310,271	5.10%
4	Street Lighting	140,716	7,182	\$147,898	5.10%
5	Public Authorities	4,353,884	222,222	\$4,576,106	5.10%
6	Total Metered Sales	76,088,612	3,883,550	\$79,972,162	5.10%
7	Other Misc. Revenues	2,589,193	\$0.00	\$2,589,193	
8	Total Operating Revenues	78,677,806	3,883,550	82,561,356	

**Notes:**

- 1 Proposed revenue increase for FRR-1 will be \$.010763 per kWh, based on 2017 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, 2018

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-18-006

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: March 20, 2018

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

Eleventh Revised Sheet No. 8.6  
Cancelling Tenth 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, 2017**

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

Line No.		(a) Actual per Books	(b) Adjustments	(c) Adjusted Results	(d) Source
1	Utility Plant	\$169,887,072		\$169,887,072	RUS Form 7
2	CWIP	\$26,443,283		\$26,443,283	RUS Form 7
3	Accumulated Depreciation	-\$45,214,876		-\$45,214,876	RUS Form 7
4	Net Plant in Service	\$151,115,480		\$151,115,480	Sum of Lines 1-3
5	Materials & Supplies	\$3,862,351		\$3,862,351	RUS Form 7
6	Prepayments	\$272,436		\$272,436	RUS Form 7
7	Cash Working Capital [See Note (b)]	\$2,362,690		\$2,362,690	See Note B
8	Deferred Debits	\$4,734,560		\$4,734,560	RUS Form 7
9	Customer Deposits	-\$6,128,903		-\$6,128,903	RUS Form 7
10	Deferred Credits	-\$38,691		-\$38,691	RUS Form 7
11	RATE BASE	\$156,179,924		\$156,179,924	Sum of Lines 4-10
12	Operating Revenues	\$78,677,806		\$78,677,806	RUS Form 7
	Operating Expenses				
13	Total Operation & Maintenance	\$66,203,185		\$66,203,185	RUS Form 7
14	Annual Depreciation	\$5,108,546		\$5,108,546	RUS Form 7
15	Property Taxes	\$1,006,671		\$1,006,671	RUS Form 7
16	Taxes - Other than Income	\$146,261		\$146,261	RUS Form 7
17	TOTAL OPERATING EXPENSES	\$72,464,664		\$72,464,664	Sum of Lines 13-16
18	RETURN	\$6,213,142		\$6,213,142	Line 12 - Line 17
19	RATE OF RETURN - OVERALL	3.98%		3.98%	Line 18 / Line 11
<b>Notes:</b> (a) Schedule B and Schedule C (b) As adjudicated in last rate case or as currently calculated					

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 8.7)  
Effective: April 1, 2018



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-18-006

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: March 20, 2018

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

Eleventh Revised Sheet No. 8.7  
Cancelling Tenth 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, 2017

Line No.		(a) Capitalization per Books	(b) Capitalization Percentage	(c) Cost	(d) Weighted Costs
	<b>EXISTING RETURN:</b>				
1	Long-Term Debt	\$86,541,796	58.88%	4.92%	2.90%
2	Total Equity	\$60,437,972	41.12%	2.62%	1.08%
3	Total	\$146,979,768	100.00%		3.98%
	<b>ADJUSTED RETURN:</b>				
4	Long-Term Debt	\$86,541,796	58.88%	4.92%	2.90%
5	Total Equity	\$60,437,972	41.12%	8.67%	3.57%
6	Total	\$146,979,768	100.00%		6.46%
Note:	Long-Term Debt incorporates Debt due				

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 8.8)  
Effective: April 1, 2018

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-18-006

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: March 20, 2018

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

Eleventh Revised Sheet No. 8.8  
 Cancelling Tenth 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, 2017

Line No.		(a) Cost	(b) Source
	<b>BANDWIDTH CHECK</b>		
1	Benchmark Return on Equity	8.67%	
2	Upper Bandwidth Return On Equity	9.17%	Benchmark ROE + 1%
3	Lower Bandwidth Return On Equity	8.17%	Benchmark ROE - 1%
4	Earned Return on Equity	2.62%	Schedule 2 Line 3 (c)
5	ROE Adjustment	6.05%	Adjustment ROE
6	Adjusted ROE	8.67%	Line 4 + Line 5
7	Adjusted Return On Rate Base	6.46%	Schedule 2 Line 7 (d)

Issued by: Scott Newberry  
 Chief Executive Officer

(Continued on Sheet No. 8.9)  
 Effective: April 1, 2018



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-18-006

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: March 20, 2018

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

Eleventh Revised Sheet No. 8.9  
Cancelling Tenth 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, 2017

Line No.		(a) Cost	(b) Source
1	Rate Base	\$156,179,924	Schedule 1 Line 11 (c)
2	Adjusted Return On Rate Base	6.46%	Schedule 3 Line 7 (a)
3	Adjusted Return	\$10,096,693	Lines 1*2
4	Total Operating Expenses	\$72,464,864	Schedule 1 Line 17 (c)
5	Adjusted Revenues	\$82,561,356	Sum of Lines 3 and 4
6	Existing Operating Revenues	\$78,677,806	Schedule 1 Line 12 (c)
7	Adjustment To Operating Revenues	\$3,883,550	Line 5 - Line 6
8	Percent Change	4.94%	Line 7/Line 6

Adjustment to Operating Revenues	\$ 3,883,550	
Actual 2017 Sales	694,333,734	
<b>Revenue Adjustment per kWh April 1, 2018</b>	<b>\$ 0.005593</b>	
Revenue Adjustment per kWh 2016	\$ (0.000260)	
Revenue Adjustment per kWh 2017	\$ 0.005430	
Revenue Adjustment per kWh 2018	<u>\$ 0.005593</u>	
<b>Total Cumulative Adjustment per kWh Apr-Dec 2018</b>	<b>\$ 0.010763</b>	\$10.76 per 1000 kWh

Issued by: Scott Newberry  
Chief Executive Officer

(Continued on Sheet No. 8.91)  
Effective: April 1, 2018

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-18-006

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: March 20, 2018

*Greg Shafer*

DIRECTOR  
DIVISION OF ECONOMICS

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(Continued From Sheet 8.9)

ATTACHMENT C  
EVALUATION PERIOD COST OF [COMMON] EQUITY (EPCOE)

1. The "Modified" Goodwin Model

A. The following version of the "Modified" Goodwin Model as put forth by NRUCFC and the RUS shall be used and applied to the Company in determining its BROE:

$$k_e = \frac{((1+g)^{n+1}) - (1+g)^n}{(1+g)^n}$$

Where:

- $k_e$  = Cost of common equity for the Company.
- $g$  = Growth rate in Total Utility Plant for the Company. The growth rate data for the Company shall be computed as described in section B below.
- $n$  = Capital Credits rotation cycle policy in years

The Board of Directors shall use this formula as a guide to determining the BROE; however, they can deviate from it with good reason.

B. Growth rate shall be the 10 year average of the annual change in Total Utility Plant inclusive of CWIP.

Issued by; Scott Newberry  
Chief Executive Officer

Effective: July 11, 2007



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

STANDARD FORMS AND BLANK BILL FORMS

CUSTOMER'S LATE PAYMENT NOTICE



FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
P.O. BOX 377  
TAVERNIER, FL 33070-0377  
PHONE: TAVERNIER OFFICE (305) 852-2431  
MARATHON OFFICE (305) 743-5344

DID YOU FORGET TO PAY YOUR BILL? ACCORDING TO OUR RECORDS YOUR BILL HAS NOT BEEN PAID. IF PAYMENT IN FULL IS NOT RECEIVED PRIOR TO THE DISCONNECT DATE, YOUR SERVICE WILL BE DISCONNECTED IN ACCORDANCE WITH FKEC POLICY BULLETIN 209.

SEE REVERSE SIDE FOR NOTICE OF TERMINATION.

**THIS WILL BE THE ONLY NOTICE OR CONTACT YOU WILL RECEIVE.**

**SEE REVERSE SIDE FOR DETAILS**

ACCOUNT NUMBER  
DELINQUENT AMOUNT DUE  
BILLING DATE  
DISCONNECT DATE  
COLLECTION FEE  
RECONNECT FEE  
AFTER HOURS RECONNECT

# DISCONNECT NOTICE

If you have recently made remittance  
Please contact our office

**THIS NOTICE REQUIRES YOUR  
IMMEDIATE ATTENTION**

CASHIER'S STUB

Please Return This Stub With Your Payment

**THIS IS THE ONLY NOTICE  
YOU WILL RECEIVE**

ACCOUNT NUMBER      DATE OF NOTICE

**DELINQUENT AMOUNT DUE:**

Delinquent amount due must be paid before  
< disconnect date > to avoid disconnection!

Issued by: Charles A. Russell  
General Manager

Effective: April 1, 1993

APPROVED

SEP 27 1993

Florida Public Service Comm.  
Authority No. CE-93-3

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

STANDARD FORMS AND BLANK BILL FORMS

CUSTOMER'S DEPOSIT RECEIPT

FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
P.O. BOX 377, TAVERNIER, FLORIDA 33070

SERVICE ORDER RECEIPT

NAME: _____	ACCOUNT NO: _____
ADDRESS: _____	SERVICE LOCATION: _____
_____	_____
_____	_____
RECEIVED BY: _____	NATURE OF SERVICE REQUESTED _____
DATE _____	_____

\*\*\*\* COLLECTIONS \*\*\*\*

MEMBERSHIP WA	:	_____
DEPOSIT ZA	:	_____
ADDITIONAL DEPOSIT ZA	:	_____
ST LITE DEPOSIT YA	:	_____

\*\*\*\* SERVICE CHARGES \*\*\*\*

RECONNECT FEE	:	_____	
METER POLE FEE	:	_____	
MP FEE	:	_____	
READ OT FEE	:	_____	
O/T RECONNECT	:	_____	
CONTRIB IN AID	:	_____	
PERMANENT SERV	:	_____	
DISCONNECT FEE	:	_____	
RELOCATE FEE	:	_____	
SERVICE FEE	:	_____	
MATERIALS FEE	:	_____	
IDIT FEE	:	_____	
S/L WORK FEE	:	_____	
TOTAL BILLED	:	_____	TOTAL COLLECTIONS: _____

Issued by: Charles A. Russell  
General Manager

Effective: April 1, 1993



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-07-009

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: May 18, 2007

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

Fourth Revised Sheet No. 10  
Canceling Third Revised Sheet No. 10

NAME OF UTILITY: FLORID KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

STANDARD FORMS AND BLANK BILL FORMS

BLANK BILL FORMS

Issued by: Charles A. Russell  
General Manager

Effective: December 1, 1994

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APPROVED

DEC 20 1994

Florida Public Service Comm.  
Authority No. CE-94-13



**FLORIDA KEYS  
ELECTRIC COOPERATIVE  
ASSOCIATION, INC.**

P.O. BOX 377 - TAVERNIER, FL 33070-0377

MEMBER'S SIGNATURE (REQUIRED TO CHANGE ADDRESS)

	ACCOUNT NO.	AMOUNT DUE
PLEASE INDICATE CHANGE OF ADDRESS/PHONE NUMBER HERE.		
MAILING ADDRESS		
CITY	STATE	ZIP
LOCATION PHONE NUMBER ( )	OTHER PHONE NUMBER ( )	

FORWARD AND ADDRESS CORRECTION REQUESTED

FLORIDA KEYS ELECTRIC COOPERATIVE  
 ASSOCIATION, INC.  
 PO BOX 377  
 TAVERNIER, FL 33070-0377

ACCOUNT NUMBER	METER NUMBER	BILL MAILED	LOCATION PHONE	OTHER PHONE
ACCOUNT NAME(S)				
ACCOUNT LOCATION				
ACTIVITY SINCE LAST BILL		\$ AMOUNT	CURRENT BILL INFORMATION	
BILLING PERIOD DATES		RATE	MULTI	CODE
TO				
KWH METER READING FROM	TO	USAGE	USAGE 1 YEAR AGO	POWER COST PER KWH
<b>OFFICE HOURS: 8:00 AM TO 5:00 PM Monday - Friday</b> <b>COOPERATIVE LOCATIONS:</b> TAVERNIER OFFICE: 81605 Overseas Hwy Phone: (305)852-2431 MARATHON OFFICE: 3421 Overseas Hwy Phone: (305)743-5344				

**FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.**

P.O. BOX 377 TAVERNIER, FL 33070-0377

- Bills are due when rendered
- Unpaid bills become DELINQUENT after 5:00 p.m. on the DELINQUENT DATE.
- Payment is not avoided by failure to receive a bill.
- EMPLOYEE IDENTIFICATION - Our authorized representatives carry Cooperative identification with a photograph. Please do not hesitate to ask for identification before admitting any employee to your premises.

- If service is interrupted, check your fuses or circuit breakers. See if neighbors have service. Please report promptly if you believe trouble on FKEC lines.
- When reporting trouble or anything unusual, please give your NAME, ACCOUNT NUMBER, and METER NUMBER as listed on this bill.
- It is your responsibility to insure we have access to all meters.

CODES		
R - Regular	C - Meter Exchange	I - Inactive with Balance
E - Estimated	F - Final	S - Security Light Only
N - New Consumer	* - Charges Combined Due To Printing Overflow	

RATES	
1 - Residential	4 - General Service-Primary
2 - General Service	5 - Contract Service
3 - General Service Demand	6 - Security Light Only



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

CONTRACTS AND AGREEMENTS

INDEX

<u>Party</u>	<u>Designation</u>	<u>Sheet Number</u>
1. Florida Keys Aqueduct Authority	WPM-A	13.0-13.2

Issued by: Edmund M. Grant  
General Manager

Effective: January 1, 1985

**APPROVED**

JAN 9 1985

Florida Public Service Commission  
Authority No. CE-84-12

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

SCHEDULE WPT-A  
REVENUE CODE C

FLORIDA KEYS AQUEDUCT AUTHORITY PUMPING SERVICE  
TAVERNIER, FLORIDA

APPLICABILITY:

Applicable to the Florida Keys Aqueduct Authority Pumping Station, Tavernier, Florida for general service to this individual installation, subject to the rules and regulations of the Seller.

MONTHLY SERVICE RATE:

Customer Charge  
\$41.20  
Demand Charge  
\$2.50 per month per KW of billing demand  
Energy Charge  
1.49¢ per KWH for all KWH used per month

MONTHLY MINIMUM:

\$750.00 per month.

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the Florida Keys Aqueduct Authority for any period fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor, or as nearly as is practicable. Demand charges will be adjusted for consumers with 50 KW or more measured demand to correct for average power factors lower than 90%. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging.

POWER COST CALCULATION (PCC):

The above rates shall be increased by the power cost in dollars (\$) per

Issued by: Edmund M. Grant  
General Manager

(continued on sheet 12.1)

Effective: June 4, 1982

**APPROVED**

MAY -9 1983

Florida Public Service Commission  
Authority No. CE-83-4

1

12

1



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

Rate Schedule WPT-A cont'd. (continued from sheet 12.0)

kilowatt-hour determined as follows to the nearest one hundred thousandth of a dollar:

Power Cost Calculation = A + B

Where A = power cost per KWH sold in the prior month.

$$A = \frac{C + D}{E}$$

B = true-up calculation.

$$B = \frac{(F - E) G}{E}$$

C = total purchased power costs for the prior month.

D = total fuel costs for power generated by FKEC during the prior month.

E = total kilowatt-hours sold during the prior month.

F = total kilowatt-hours sold during the month two months prior to the current month (i.e. - use January kilowatt-hour sales while computing March power cost calculation).

G = power cost per KWH for the month two months prior to current (i.e. - A computed in the prior month).

To stabilize the effect of variations in the PCC from one month to the next, the PCC for the current month and the preceding month will be averaged and the member billed accordingly in each current month.

RIGHT OF ACCESS:

Duly authorized representatives of either party hereto shall be permitted to enter the premises of the other party hereto at all reasonable times in order to carry out the provisions hereof.

TYPE OF SERVICE:

Three-phase, 60 cycle at 24950/14400 volts. Florida Keys Aqueduct Authority to furnish and own all substation facilities. Cooperative to furnish current and potential transformers for metering on high voltage side of substation transformer bank together with the necessary KWH and demand meters.

(continued on sheet 12.2)

Issued by: Edmund M. Grant  
General Manager

Effective: June 4, 1982

**APPROVED**

MAY -9 1983

Florida Public Service Commission  
Authority No. CE-83-4

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
Rate Schedule WPT-A cont'd. (continued from sheet 12.1)

CONDITION AND OWNERSHIP OF SERVICE:

Both power and lighting shall be billed at the foregoing rates. Florida Keys Aqueduct Authority will own all substation equipment located on Florida Keys Aqueduct Authority property. The dividing line of ownership between the Florida Keys Aqueduct Authority and the Cooperative will be at the high voltage terminal on the load side of the primary metering transformers. The S/C disconnecting switch, high voltage lightning arresters, high voltage fuse mountings and accessories including pole, crossarms, insulators, etc. shall be considered the distribution system of the Florida Keys Aqueduct Authority and shall be furnished, owned and maintained by the Florida Keys Aqueduct Authority. All wires from the terminals on the line side of the primary metering transformers to the Cooperative substation shall be owned, installed and maintained by the Cooperative. The Florida Keys Aqueduct Authority will install reduced voltage starting equipment on its motors located at the pumping station in accordance with N.E.M.A. classification.

Issued by: Edmund M. Grant  
General Manager

Effective: June 4, 1982

**APPROVED**

MAY -9 1983

Florida Public Service Commission  
Authority No. CE-83-4



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

SCHEDULE WPM-A  
REVENUE CODE C

FLORIDA KEYS AQUEDUCT AUTHORITY PUMPING SERVICE  
MARATHON, FLORIDA

APPLICABILITY:

Applicable to the Florida Keys Aqueduct Authority Pumping Station, Marathon, Florida for general service to this individual installation, subject to the rules and regulations of the Seller.

MONTHLY SERVICE RATE:

Customer Charge  
\$41.20  
Demand Charge  
\$2.50 per month per KW of billing demand  
Energy Charge  
1.49¢ per KWH for all KWH used per month

MONTHLY MINIMUM:

\$450.00 per month.

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the Florida Keys Aqueduct Authority for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor, or as nearly as is practicable. Demand charges will be adjusted for consumers with 50KW or more of measured demand to correct for average power factors lower than 90%. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging.

POWER COST CALCULATION (PCC):

The above rates shall be increased by power cost in dollars (\$) per kilowatt-hour

Issued by: Edmund M. Grant  
General Manager

(continued on Sheet No. 13.1)  
Effective: January 1, 1985

**APPROVED**

JAN 9 1985

Florida Public Service Commission  
Authority No. CE-84-12

NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(continued from Sheet No. 13.0)

Rate Schedule WPM-A cont'd.

to the nearest one hundred thousandth of a dollar determined as follows:

$$\text{Current Month Power Cost Calculation} = \frac{A + B}{T - T}$$

Where: A = projected current month power cost per KWH

$$A = \frac{C + D}{E}$$

B = true-up per KWH

$$B = \frac{(F - (G*H)) + (I - (G*J))}{E}$$

C = projected current month purchased power cost

D = project current month fuel cost for power generated by FKEC

E = projected current month KWH sales

F = beginning true-up balance

G = prior month actual KWH sales

H = prior month true-up per KWH (i.e. - B computed in the prior month)

I = prior month actual power cost

J = prior month projected power cost per KWH (i.e. - A computed in the prior month)

T = the state of Florida revenue tax rate applicable to power cost revenue

RIGHT OF ACCESS:

Duly authorized representatives of either party hereto shall be permitted to enter the premises of the other party hereto at all reasonable times in order to carry out the provisions hereof.

Issued by: Edmund M. Grant  
General Manager

(continued on Sheet No. 13.2)  
Effective: January 1, 1985

**APPROVED**

JAN 9 1985

Florida Public Service Commission  
Authority No. CE-84-12



NAME OF UTILITY: FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.  
(continued from Sheet No. 13.1)

Rate Schedule WPM-A cont'd.

TYPE OF SERVICE:

Three-phase, 60 cycle at 24950/14400 volts. Florida Keys Aqueduct Authority to furnish and own substation structure and switching appurtenances. Cooperative to furnish metering facilities.

TRANSFORMER RENTAL:

The transformer 24950/14400 owned by the Cooperative, presently installed and located on Florida Keys Aqueduct Authority's property will be leased to the Florida Keys Aqueduct Authority at \$75.00 per month.

Issued by: Edmund M. Grant  
General Manager

Effective: January 1, 1985

**APPROVED**

JAN 9 1985

Florida Public Service Commission  
Authority No. CE-84-12

Back Cover



**FLORIDA KEYS ELECTRIC COOPERATIVE  
ASSOCIATION, INC. -FKEC**

91605 OVERSEAS HIGHWAY P.O. BOX 377, TAVERNIER, FL 33070-0377 PHONE (305) 852-2431 FAX: (305) 852-4794

October 21, 1999

FL PUBLIC SERV COMMISSION  
2540 SHUMARD OAK BLVD  
TALLAHASSEE, FL 32399-0850

Re: Renewal of State of Florida Direct Pay Authority - DPA Certificate No. TPP-0166

Ladies or Gentlemen:

The purpose of this notice is to advise you that the authority for Florida Keys Electric Cooperative Association, Inc. (FKEC) to self-accrue and pay Sales & Use tax directly to the Florida Department of Revenue has been renewed. The Direct Pay Authority renewal permits FKEC to continue purchasing tangible personal property from your company without the payment of Florida Sales & Use tax.

A copy of the Certificate of Direct Pay Authority is printed on the reverse side of this letter. Please keep this copy in your files as documentation for omitting Sales & Use tax from invoices to FKEC.

If you have any questions concerning this certificate, please call our General Accounting Department at (305) 852-2431.

Sincerely,

The General Accounting Department

R:\WP\DATA\Data99\DPA

LETTER.FRM.doc

FLORIDA  
PUBLIC SERVICE COMMISSION

1999 OCT 27 AM 8 51

DIVISION OF  
ADMINISTRATION





L. H. Fuchs  
Executive Director

STATE OF FLORIDA  
DEPARTMENT OF REVENUE

TALLAHASSEE, FLORIDA 32399-0100

General Tax Administration  
Child Support Enforcement  
Property Tax Administration  
Administrative Services  
Information Services

**DIRECT PAY PERMIT  
FOR PURCHASES OF TANGIBLE PERSONAL PROPERTY**

Florida Keys Electric Cooperative Assoc., Inc  
91605 Overseas Highway  
Tavernier, FL 33070-0377

DPA Certificate Number: TPP-0166  
Sales & Use Tax No.: 54-07-001178  
Effective Date: October 22, 1999  
Expiration Date: October 31, 2004

Ladies or Gentlemen:

This Direct Pay Permit is issued to **Florida Keys Electric Cooperative Association, Inc** for the purpose of permitting the privilege of purchasing tangible personal property without the payment of Florida sales and use tax to the supplier of such property. The Florida Department of Revenue has authorized the permit holder to self-accrue and remit the use tax directly to the Department. The basis for this authority is found in Section 212.183, Florida Statutes.

A photocopy of this permit must be given to each seller from whom you make purchases so that the records of said seller will reflect authorized transactions without payment of sales or use tax to the seller. The name of the seller, date the permit was given to seller, and the authorized signature must be completed before extending the permit to the seller.

FL PUBLIC SERV COMMISSION

October 22, 1999

\_\_\_\_\_  
Name of Seller

\_\_\_\_\_  
Date Given to Seller

The permit holder agrees not to allow any other party to use this permit to purchase tangible personal property exempt from the tax. This permit shall remain in effect until its expiration date, as stated above.

Signature: \_\_\_\_\_

*Chad A Russell*

(Owner, Partner, Officer, or Authorized Representative)

FLORIDA DEPARTMENT OF REVENUE

*W. David Young*  
W. David Young  
Tax Specialist II  
GTA Central Registration/Sales & Use Tax

WDY/ms  
dpa-tpp-cert.doc

*1998 Florida Sterling Award Winner*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Great Marathon Radio )  
Company against Florida Keys Electric )  
Cooperative Association, Inc. Seeking Penalties )  
And Other Relief for FKEC's Failure to ) Docket No. PSC-18- -EU  
Fulfill Its Duty To Provide Service, Failure To )  
Follow Its Tariff, Failure To Comply With )  
Multiple Florida Public Service Commission )  
Rules, and Attempting to Impose an Unduly ) Date: October 18, 2018  
Discriminatory Rate Structure )

Attachment 2 to Complaint and Petition

Accident Report





# BOATING ACCIDENT

Forward to: FWC Boating Safety  
620 South Meridian St, Tallahassee, FL 32399-1600  
Question: call (850) 488-5600

ACCIDENT NUMBER  
**BAR003433**

AGENCY CASE NO  
**FWSB18OFF006598**

COUNTY OF <b>MONROE (44)</b>		REPORTING AGENCY <b>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</b>				AGENCY CASE NO <b>FWSB18OFF006598</b>			
DATE & TIME OF ACCIDENT <b>Mon, May 21, 2018 01:02 PM</b>		DATE & TIME LEO ARRIVED <b>Mon, May 21, 2018 01:16 PM</b>		DATE & TIME OF REPORT		DATE & TIME COMPLETED <b>Wed, May 23, 2018 04:47 PM</b>			
INJURED <b>0</b>	FATALITIES <b>0</b>	MISSING <b>0</b>	TOWED SKIERS <b>0</b>	TOTAL SWIMMERS <b>0</b>	TOTAL VESSELS <b>1</b>	VESSEL DAMAGE \$ <b>6000</b>	PROPERTY DAMAGE \$ <b>0</b>	TOTAL DAMAGE \$ <b>6000</b>	
NEAREST CITY <b>MARATHON (45)</b>		BODY OF WATER <b>ATLANTIC OCEAN</b>				WATERS STATE			
EXACT LOCATION <b>BOOT KEY HARBOR</b>						<input type="checkbox"/> INTRACOASTAL NEAREST MARKER WATERWAY <b>R 14</b>			
ACCIDENT SITE <b>PORT/HARBOR</b>		RESTRICTED AREA		PERMIT CODE		LATITUDE <b>N 24 42.3108</b>		LONGITUDE <b>W 81 6.3205</b>	
WEATHER <b>CLOUDY, RAIN</b>		VISIBILITY <b>FAIR</b>		WATER CONDITIONS <b>CHOPPY</b>		AIR TEMP <b>80 F</b>		WATER TEMP <b>70 F</b>	
		DAYTIME <b>DAY</b>		WIND CONDITIONS <b>MODERATE (7-14 MPH)</b>		WATER CURRENT <b>TIDAL CURRENT</b>		ACCIDENT DESCRIPTORS	

## VESSEL(S)

V# <b>V01</b>	YEAR <b>2006</b>	MAKE <b>LAGOON</b>	TYPE <b>SAIL (AUX POWER)</b>	COLOR <b>WHITE</b>	HULL MATERIAL <b>FIBERGLASS</b>	LENGTH <b>44 F</b>	VESSEL NAME <b>GRACEFUL STORM</b>	T.SKIERS <b>0</b>	INJURED <b>0</b>	FATAL <b>0</b>
FUEL <b>DIESEL</b>	PROPULSION <b>Propeller</b>	HP <b>150</b>	# ENG <b>2</b>	ENGINE TYPE <b>INBOARD</b>	VESSEL PRIORITY <b>NOT APPLICABLE</b>	ESTIMATED SPEED <b>LESS THAN 10 MI</b>	ESTIMATED DAMAGE \$ <b>6000</b>	FEDERAL CLASSIFICATION <b>RECREATIONAL</b>		
HIN <b>CNB44099A606</b>		REGISTRATION NO STATE EXPIRATION		DOCUMENT NO <b>1186731</b>	<input checked="" type="checkbox"/> INSURED	INSURANCE COMPANY <b>CHUBB</b>	POLICY NUMBER <b>1372934</b>		<input type="checkbox"/> RENTED <input type="checkbox"/> BORROWED Not In Household	
Name of Vessel Owner <b>SILVER DOLLAR LLC</b>		Business <input checked="" type="checkbox"/>	Current Address <b>3113 RIVER DRIVE UNIT 11</b>		City <b>SAVANNAH</b>	State Zip Code <b>GA 31404</b>	Phone Number(s)			
ACCIDENT TYPE <b>PRIMARY COLLISION WITH FIXED OBJECT</b>		SECONDARY		TERTIARY		WHAT CONTRIBUTED TO THE ACCIDENT <b>FIRST NO PROPER LOOK-OUT</b> <b>SECOND OPERATOR INEXPERIENCE</b> <b>THIRD</b>				
MACHINERY FAILURE		EQUIPMENT FAILURE		SAFETY EQUIPMENT <b>FIRE EXT ON BOARD</b> <b>PFDS ACCESSIBLE</b> <b>REQ PFD(S) ON BOARD</b>		OPERATION <b>CRUISING</b>		ACTIVITY <b>RECREATIONAL CRUISING</b>		
<b>PERSONS ASSOCIATED WITH VESSEL (COUNT: 2)</b> <span style="float: right;">(See Person's Section for Complete Record)</span>										
OCCUPANT: <b>KENNEDY, ELAINE EULL</b>										
OPERATOR: <b>EVANS, GREGORY TODD</b>										

## PERSON(S)

S# <b>1</b>	NAME (LAST, FIRST MIDDLE) <b>KENNEDY, ELAINE EULL</b>				PERSON'S ROLE <b>OCCUPANT</b>		DATE OF BIRTH & AGE <b>2/12/1953 65</b>	RACE <b>W</b>	SEX <b>F</b>	HGT <b>503</b>	WGT
HAIR <b>BRO</b>	EYES <b>BRO</b>	ID NUMBER <b>K530205535520</b>	STATE <b>FL</b>	TYPE OF I.D. <b>E</b>	ID EXPIRES <b>2/12/2026</b>	HOME TELEPHONE	WORK TELEPHONE	MOBILE TELEPHONE <b>(225)614-5317</b>			
STREET <b>6634 CENTRAL AVE</b>			CITY <b>SAINT PETERSBURG</b>			STATE <b>FL</b>	ZIP CODE <b>33707</b>				
INJURY STATUS <b>UNINJURED</b>		IF OPERATOR, EXPERIENCE		& HOURS IN VESSEL TYPE		& OPERATOR EDUCATION					
PFD USE <b>NOT WEARING PFD</b>		<input type="checkbox"/> EJECTED	<input type="checkbox"/> CAN SWIM	VESSEL PERSON LINKED TO <b>V01: LAGOON / 2006 / 44 F / WHITE / GRACEFUL STORM</b>							
BUI INFO											B.A.C.
S# <b>2</b>	NAME (LAST, FIRST MIDDLE) <b>EVANS, GREGORY TODD</b>				PERSON'S ROLE <b>OPERATOR</b>		DATE OF BIRTH & AGE <b>10/7/1964 53</b>	RACE <b>W</b>	SEX <b>M</b>	HGT <b>606</b>	WGT
HAIR	EYES	ID NUMBER <b>E152298643670</b>	STATE <b>FL</b>	TYPE OF I.D. <b>E</b>	ID EXPIRES <b>10/7/2021</b>	HOME TELEPHONE	WORK TELEPHONE	MOBILE TELEPHONE <b>(251)747-2585</b>			
STREET <b>6634 CENTRAL AVE</b>			CITY <b>SAINT PETERSBURG</b>			STATE <b>FL</b>	ZIP CODE <b>33707</b>				
INJURY STATUS <b>UNINJURED</b>		IF OPERATOR, EXPERIENCE <b>MORE THAN 100 HOURS</b>		& HOURS IN VESSEL TYPE <b>MORE THAN 100 HOURS</b>		& OPERATOR EDUCATION <b>OTHER (INFO)</b>					
PFD USE <b>NOT WEARING PFD</b>		<input type="checkbox"/> EJECTED	<input type="checkbox"/> CAN SWIM	VESSEL PERSON LINKED TO <b>V01: LAGOON / 2006 / 44 F / WHITE / GRACEFUL STORM</b>							
BUI INFO											B.A.C.
<b>CITATIONS ISSUED TO THIS PERSON (COUNT: 2)</b>											
UNIFORM BOATING CITATION V561901: Violation: STATE STATUTE 327.33(3) VIOLATION OF NAVIGATION RULES RESULTING IN AN ACCIDENT (FIRST OFFENSE)											



UNIFORM BOATING CITATION V561902:  
Violation: STATE STATUTE 328.46(2)(a) OPERATE OR GIVE PERSON PERMISSION TO OPERATE AN UNREGISTERED OR UNNUMBERED VESSEL

**SYNOPSIS NARRATIVE**

Vessel one's sailing mast struck power cables over the 20th Street Bridge in Boot Key Harbor.

Damage was done to power lines and power line posts.

All persons on board were uninjured.

I then asked Mr. Evans what occurred that caused the collision, and he stated that he saw the other sailing vessels anchored on the other side of the bridge and was looking for a mooring field to spend the night and simply did not see the hanging power line.

**DETAILED NARRATIVE**

I, Officer Michael Alvarez (N938) of the Florida Fish and Wildlife Conservation Commission (FWC) was on duty conducting law enforcement patrol on land in Monroe County, State of Florida while in my marked patrol vehicle.

At approximately 1:02 PM, I was on the 20th Street Bridge in Marathon, FL. in my patrol vehicle when I observed a sailing vessel mast collide with hanging power lines. Electric sparks flew from power line posts and multiple posts rocked back and forth due to the collision. Officer Adam Garrison (also with FWC) went to the 15th Street commercial fishing vessel marina where he was able to see the vessel and assist them in docking there so I could conduct the boating accident investigation. At this time Officer Garrison made verbal contact with the occupants of the vessel who then advised nobody on board was injured.

At approximately 1:05 PM, Officer Justin Powell (also with FWC) and myself left the 20th Street Bridge to United States Coast Guard (USCG) Station Marathon to board our marked police vessel to respond by water.

Our arrival on scene was approximately taken at 1:16 PM, I then began documenting the debris field of the power lines, power line post, nearby water, and the striking vessel. Once the images were taken of the debris field, I then proceeded to speak with the operator and occupant of the striking vessel. Mr. Gregory Todd Evans, identified by his Florida Driver's License (FL DL # E152298643670) was on board the vessel, I asked if he was the owner of the vessel and if I could board to begin the boating accident investigation. He stated that he was not the owner, but responsible for the vessel since it was registered to a company, however, I could board the vessel. Also on board was the only other occupant, Miss Elaine Kennedy, identified by her Florida Driver's License (FL DL # K530205535520).

Once on board, I gathered all pertinent documentation; the registration/documentation of the vessel, identification for all persons on board, vessel insurance and insured all safety equipment was accounted for. Upon asking Mr. Evans for his Florida Registration, he advised he was unaware it was necessary since he was documented with the USCG. I educated Mr. Evans and Miss Kennedy of the difference and that Florida Registration is required. The seemed very appreciative of the knowledge and insured me that it will be taken care of. While still on board the vessel, I asked Mr. Evans if he could show me all of the required safety gear of his vessel, which he proceeded to do and all equipment was accounted for.

I then asked Mr. Evans what occurred that caused the collision, and he stated that he saw the other sailing vessels anchored on the other side of the bridge and was looking for a mooring field to spend the night and simply did not see the hanging power line. Issued both an agency Sworn Written Statement to document the incident in their words. Mr. Evans also stated that the height of the mast is 70'5", and could not find any information on the height of the power cables on National Oceanic and Atmospheric Administration (NOAA) Charts. Attached is an image of a NOAA Chart with the note pertaining to the power cables, stating their height of 65'.

Upon completion of the on-site boating accident investigation, I cited Mr. Evans for violation of Navigational Rules resulting in an accident, as well as operate an unregistered or unnumbered vessel.

Gregory Todd Evans was charged with:  
One count: FSS 327.33(3) Violation of navigational rules resulting in an accident (first offense).  
One count: FSS 328.46(2)(a) Operate or give permission to operate an unregistered or unnumbered vessel.

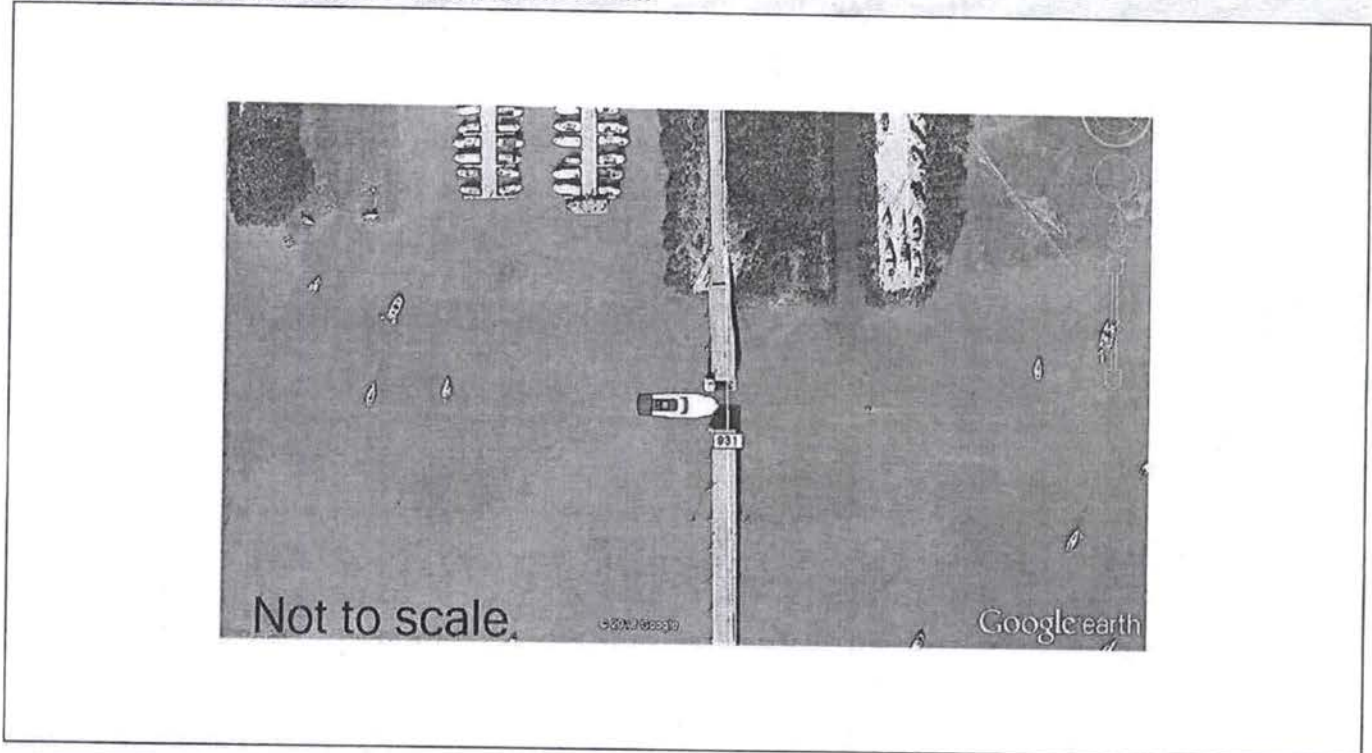
Gregory Todd Evans has no prior history with FWC.




ACCIDENT NUMBER  
**BAR003433**

AGENCY CASE NO  
**FWSB18OFF006598**

**DIAGRAM OF ACCIDENT VISUAL OF COLLISION**



**OFFICER COMPLETING REPORT**

OFFICER NAME <b>ALVAREZ, MICHAEL A</b>		AGENCY NAME AND ADDRESS <b>FLORIDA FISH AND WILDLIFE          CONSERVATION COMMISSION          2796 OVERSEAS HIGHWAY #100          MARATHON, FL 33050          AGENCY DIVISION</b>	SUPERVISOR NAME <b>COX, ANDY J</b>	
RANK <b>OFFICER</b>	OFFICER SIGNATURE 		RANK <b>LIEUTENANT</b>	SUPERVISOR SIGNATURE
ORG/UNIT <b>FWSBISO RE</b>			ORG/UNIT <b>FWSBISO RE</b>	
ID NO <b>WN938</b>			ID NO <b>WE690</b>	
AGENCY PHONE <b>(305) 956-2600</b>		AGENCY ORI <b>FL0448000</b>		
INVESTIGATIVE TIMES (IN HOURS)				
ON BOAT <b>2:00</b>	ON LAND :	IN AIR :	ADMINISTRATIVE <b>2:00</b>	TOTAL <b>4:00</b>
VEHICLE MILES			BOAT ENGINE HOURS :	AIRCRAFT ENGINE HOURS :

**DO NOT COMPLETE BELOW THIS LINE - BOATING SAFETY REVIEWING AUTHORITY ONLY**

FEDERAL ACCIDENT CLASSIFICATION:  
**RECREATIONAL**       OFF SHORE      REPORTABLE STATUS  
**REPORTABLE**

(For Statistical Use)

ACCIDENT TYPE PRIMARY <b>COLLISION WITH FIXED OBJECT</b> SECONDARY TERTIARY	ACCIDENT CONTRIBUTORS FIRST <b>NO PROPER LOOK-OUT</b> SECOND <b>OPERATOR INEXPERIENCE</b> THIRD		
REVIEWER NAME <b>WAGNER, SETH M</b>	RANK <b>LIEUTENANT</b>	ORG/UNIT <b>FWNWVW RE</b>	ID NO <b>WM628</b>

**ACCIDENT PICTURE**



**20TH STREET BRIDGE WHERE BROKEN POWER LINE POST IS VISIBLE**

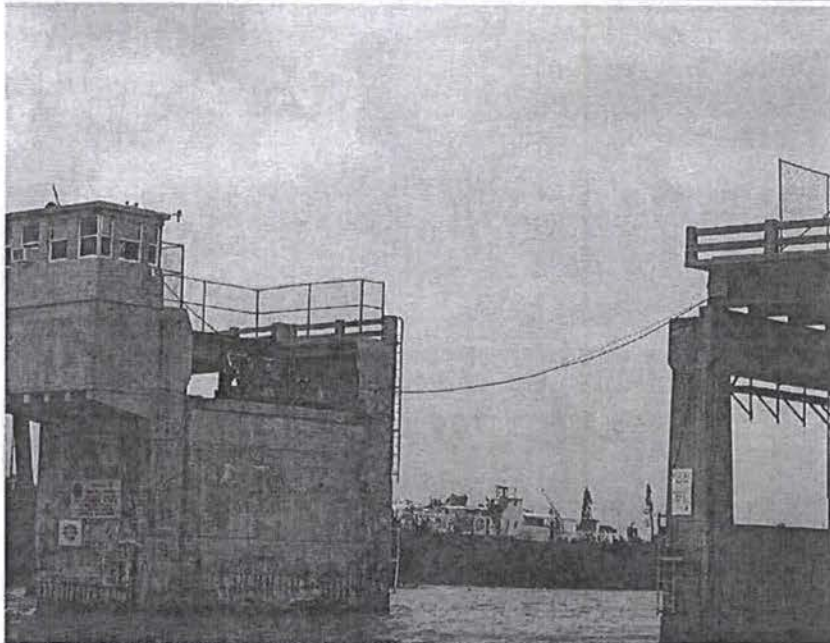
**ACCIDENT PICTURE**



**OPENING OF 20TH STREET BRIDGE WHERE POWER LINE WAS POST-COLLISION**

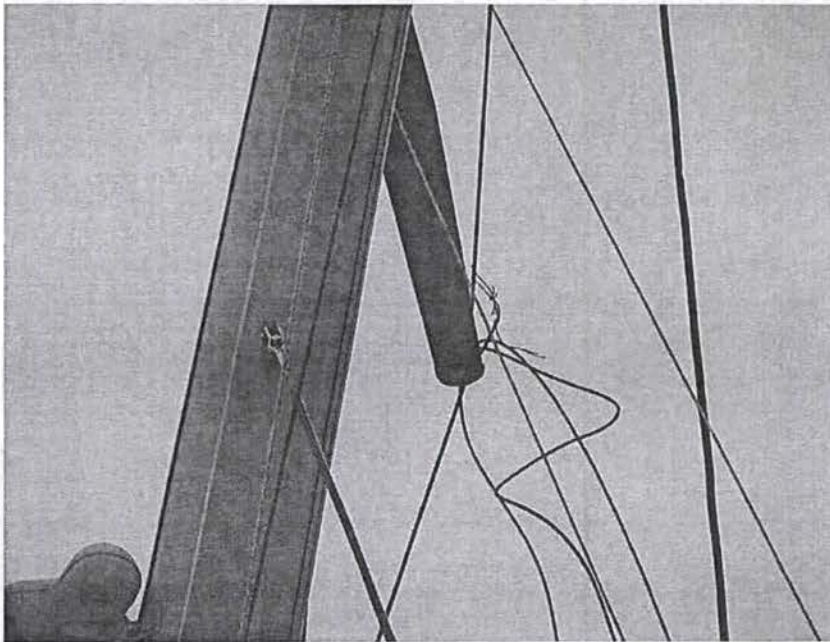


**ACCIDENT PICTURE**



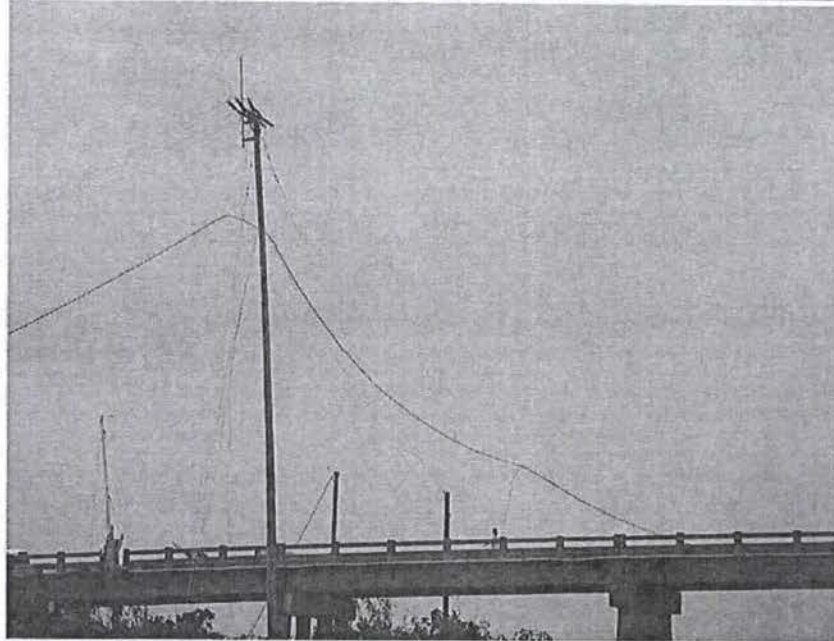
**OPENING OF 20TH STREET BRIDGE WHERE POWER LINE WAS POST-COLLISION**

**ACCIDENT PICTURE**



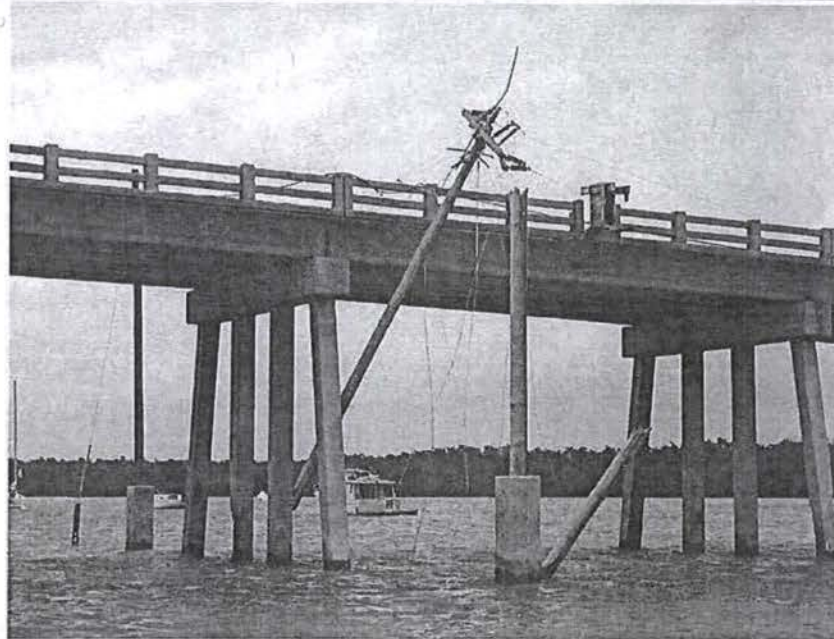
**POWER LINE CABLE WRAPPED AROUND MAST OF SAILING VESSEL**

**ACCIDENT PICTURE**



**HANGING POWER LINE POST-COLLISION**

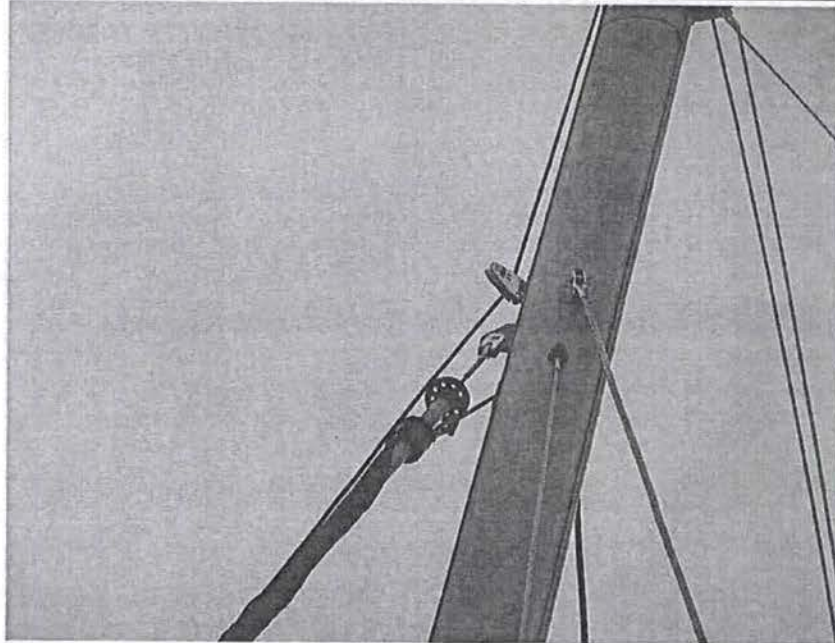
**ACCIDENT PICTURE**



**BROKEN POWER LINE POST**

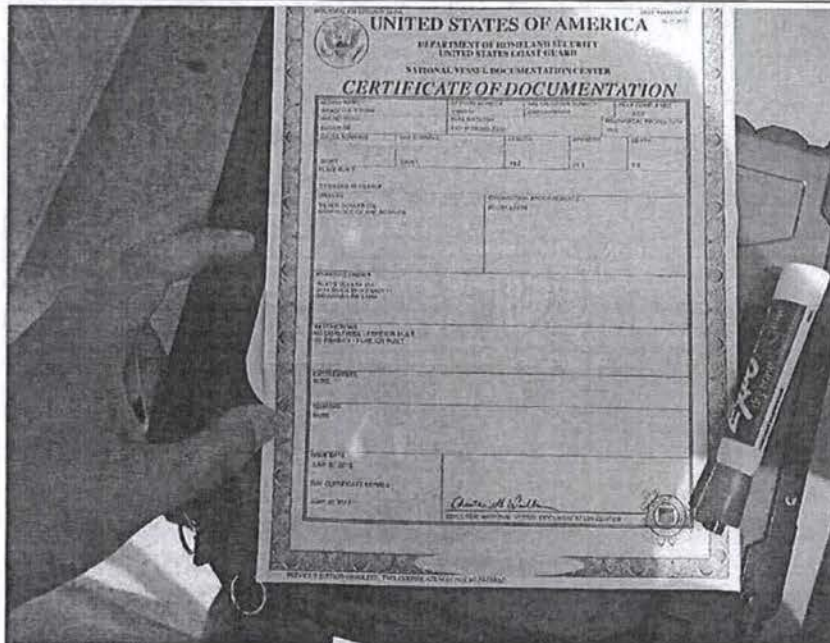


**ACCIDENT PICTURE**



**MAST OF SAILING VESSEL**

**ACCIDENT PICTURE**



**USCG DOCUMENTATION OF VESSEL**

**ACCIDENT PICTURE**

DHS, USCG, CG-1270 (REV. 05-04) OMB APPROVED  
1625-0027

**UNITED STATES OF AMERICA**  
 DEPARTMENT OF HOMELAND SECURITY  
 UNITED STATES COAST GUARD  
 NATIONAL VESSEL DOCUMENTATION CENTER

**CERTIFICATE OF DOCUMENTATION**

VESSEL NAME GRACEFUL STORM		OFFICIAL NUMBER 1180731	IMO OR OTHER NUMBER GNM4099A02E	YEAR COMPLETED 2006
HAILING PORT DOVER DE		HULL MATERIAL FRP (FIBER GLASS)		MECHANICAL PROPULSION YES
GROSS TONNAGE 360RT	NET TONNAGE 290RT	LENGTH 44.7	BREADTH 22.3	DEPTH 7.9
PLACE BUILT ST GILLES BE FRANCE				
OWNERS SILVER DOLLAR LLC COMPRISED OF ONE MEMBER		OPERATIONAL ENDORSEMENTS RECREATION		
MANAGING OWNER SILVER DOLLAR LLC 3113 RIVER DRIVE UNIT 11 SAVANNAH GA 31404				

**USCG DOCUMENTATION OF VESSEL**

**ACCIDENT PICTURE**

OWNERS  
SILVER DOLLAR LLC  
COMPRISED OF ONE MEMBER

OPERATIONAL ENDORSEMENTS  
RECREATION

MANAGING OWNER  
SILVER DOLLAR LLC  
3113 RIVER DRIVE UNIT 11  
SAVANNAH GA 31404

ELECTRIC PROP  
NO CONATWISE - FOREIGN BUILT  
NO FISHERY - FOREIGN BUILT

ENTITLEMENT  
NONE

REMARKS  
NONE

ISSUE DATE  
JUNE 20, 2014

THIS CERTIFICATE EXPIRES  
JULY 31, 2017

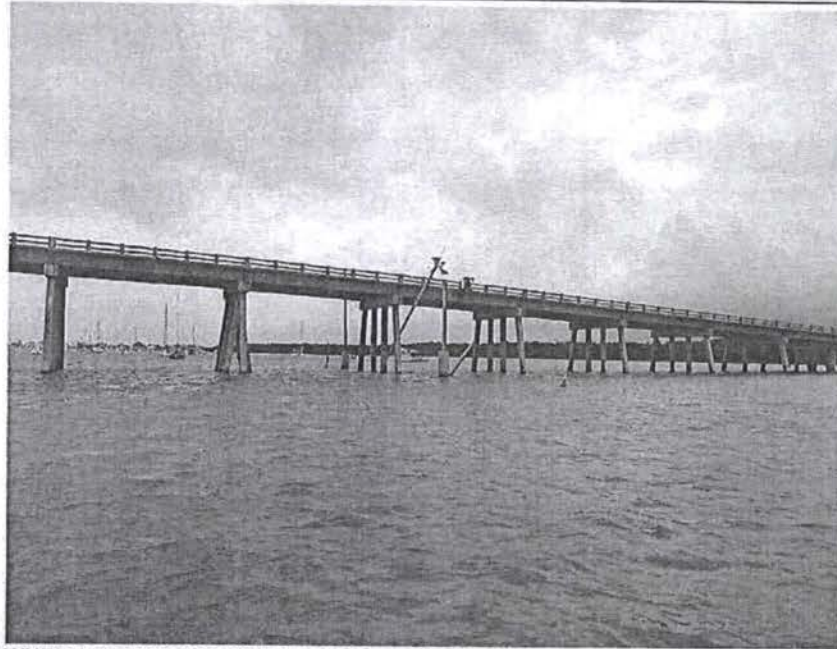
*Christina H. Walker*  
 DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER

FOR YOUR PROTECTION ONLY. THIS CERTIFICATE MAY NOT BE REPRODUCED.

**USCG DOCUMENTATION OF VESSEL**



ACCIDENT PICTURE



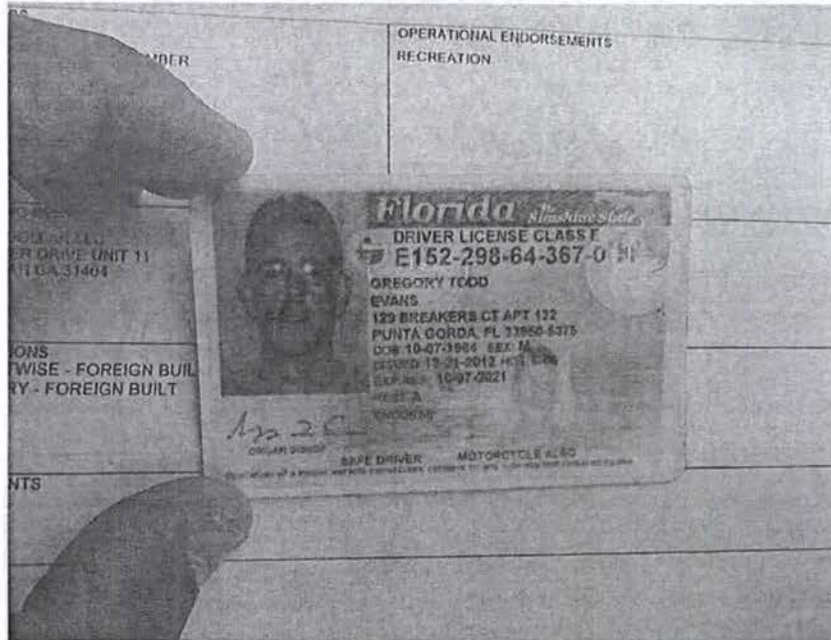
20TH STREET BRIDGE WHERE BROKEN POWER LINE POST IS VISIBLE

ACCIDENT PICTURE



20TH STREET BRIDGE WHERE BROKEN POWER LINE POST IS VISIBLE

ACCIDENT PICTURE



OPERATOR'S FL DL

ACCIDENT PICTURE



DEBRIS FIELD

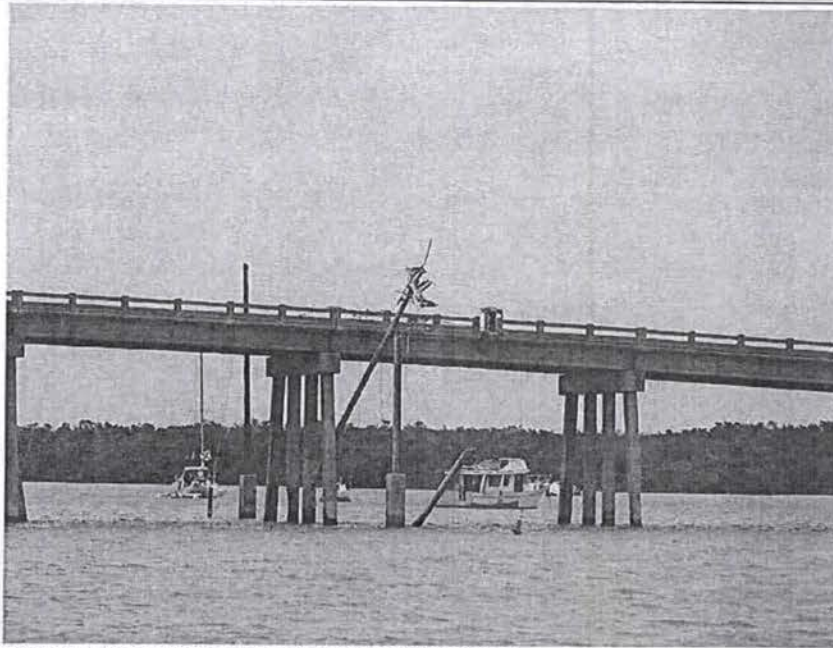


**ACCIDENT PICTURE**



**20TH STREET BRIDGE WHERE BROKEN POWER LINE POST IS VISIBLE**

**ACCIDENT PICTURE**



**20TH STREET BRIDGE WHERE BROKEN POWER LINE POST IS VISIBLE**

ACCIDENT PICTURE



STERN OF SAILING VESSEL

ACCIDENT PICTURE



PORT SIDE OF SAILING VESSEL



ACCIDENT PICTURE

FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION  
DIVISION OF LAW ENFORCEMENT  
SWORN WRITTEN STATEMENT

Date and time accident occurred: 10/11/18 13:15 hrs. Case Number: FWSB18OFF006598  
Location where accident took place: Port Key Harbor, N 92° 42' 21.11" W R 6, 21.11"  
Name of person giving statement: Gregory Todd Egan  
D/L: F158-288-64-347-0 DOB: 10/6/1974  
Address of person giving statement: 16411 Central Ave. St. Petersburg, FL 34707  
Home Phone #: Work Phone #: Cell Phone #: 281-742-3185

STATEMENT

I and my wife were on the bridge deck coming up the channel to anchor, we approached the bridge to pass through when I felt a tug at the helm. Looked out and saw a cable on my bow I was traveling at 10 knots and immediately backed out of the bridge. Our aluminum bowled wheel was caught on the rigging. I maneuvered the boat in place to get the wheel out loose. At that time, Devin Allgood was on the dock just south of the Port Key Bridge. He noticed us in docking, but didn't see the cable.

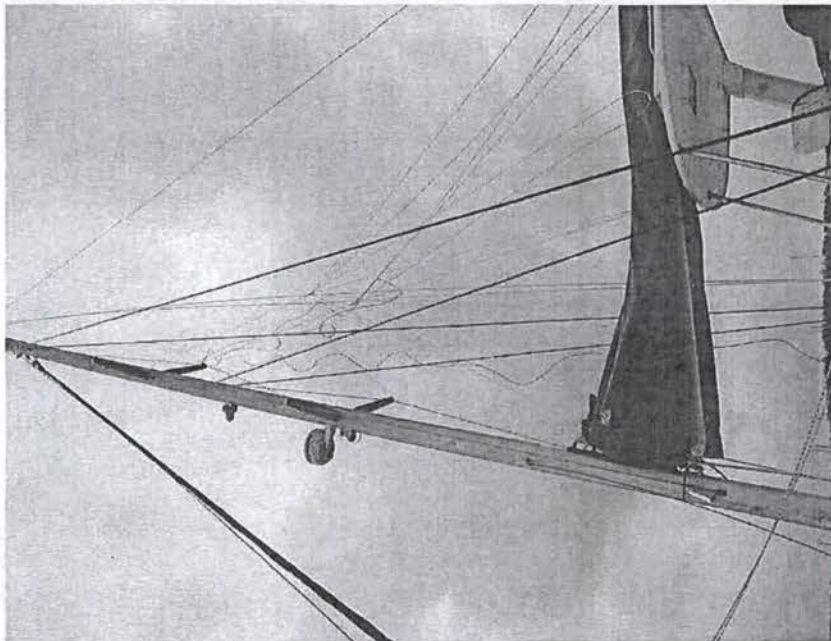
I have read this statement and believe it pertains to the accident described in this report and I hereby swear to the truth of its contents.

Signature of Person Giving Statement: [Signature] 10/11/18  
Signature of Officer: [Signature]  
Name of Officer: M. J. Alvarez  
Title of Officer: Officer

Page 1 of 1

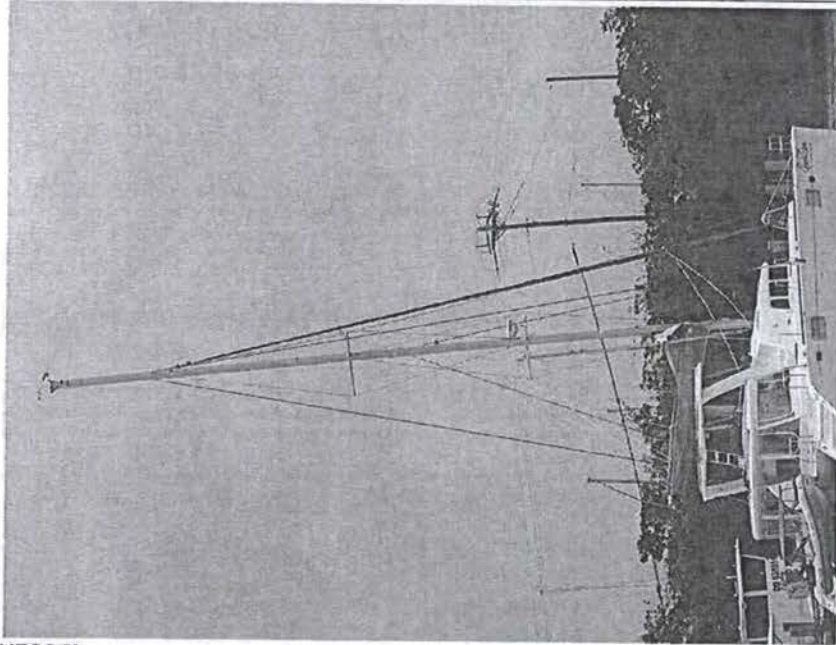
CAPTAIN'S SWORN WRITTEN STATEMENT

ACCIDENT PICTURE



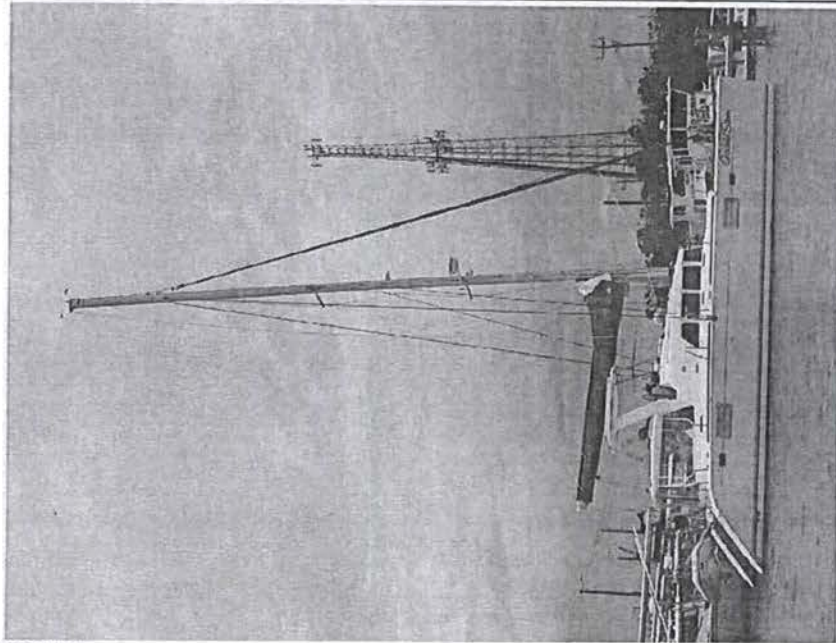
MAST OF SAILING VESSEL WITH HANGING POWER LINES

**ACCIDENT PICTURE**



OVERALL OF SAILING VESSEL

**ACCIDENT PICTURE**



OVERALL OF SAILING VESSEL



**ACCIDENT PICTURE**

FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION  
DIVISION OF LAW ENFORCEMENT  
SWORN WRITTEN STATEMENT

Date this form statement received: 5/2/18 Date sworn: FWSB18OFF006598  
Location where statement was given: Manatee, FL - Boat # 4  
Name of person giving statement: Charm Spanady  
DUI #: 8980-205-53-537-0 Date: 5/2/18  
Address of person giving statement: 6633 Central Ave. St. Petersburg, FL Case Number: 2018-111-5317  
Honor Point # \_\_\_\_\_ Valid Period # \_\_\_\_\_

STATEMENT  
I crossed channel in boat first proceeded to  
chose open section of bridge did not see  
end of mast height cable tangled in  
water. Rusted vessel and was advised  
by Marine Pilot

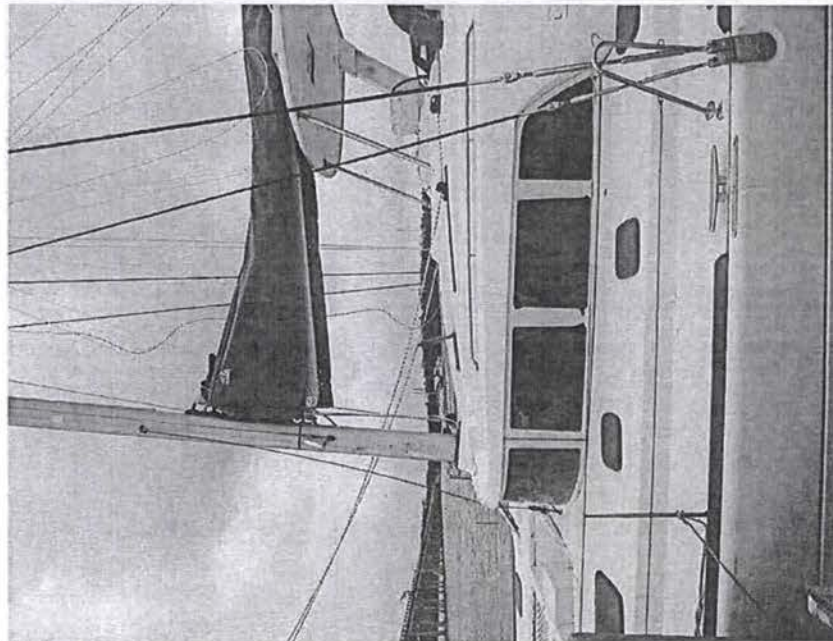
Signature of Officer: [Signature] Signature of Officer: [Signature]  
Name of Officer (Print): Michael Alvariz Name of Officer (Print): Michael Alvariz

I have read this statement and verified all corrections. I fully understand its entire content and solemnly swear  
for affirm that it is true and correct.

SUBSCRIBED and sworn to (or affirmed) before  
me, undersigned, on this \_\_\_\_\_ day of \_\_\_\_\_, 2018,  
at \_\_\_\_\_, Florida. License  
117.10.

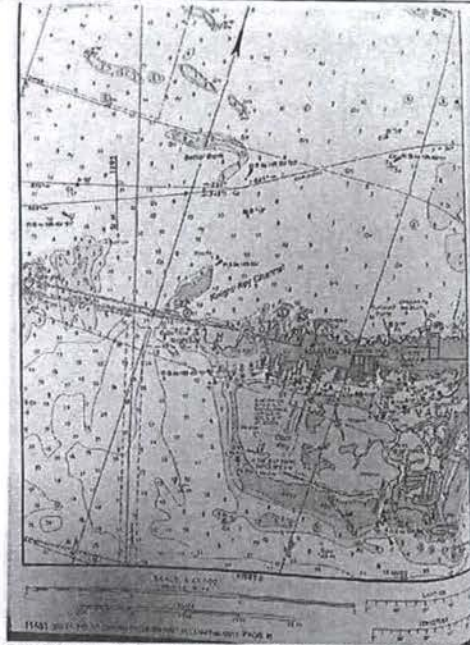
**PASSENGER'S SWORN WRITTEN STATEMENT**

**ACCIDENT PICTURE**



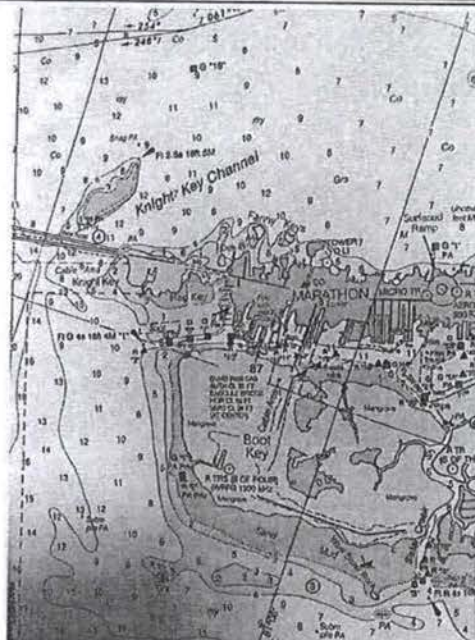
**BASE OF MAST WITH POWER LINES**

**ACCIDENT PICTURE**



**NOAA CHART 11451 OF BOOT KEY WITH OVERHEAD POWER CABLES DOCUMENTED**

**ACCIDENT PICTURE**



**NOAA CHART 11451 OF BOOT KEY WITH OVERHEAD POWER CABLES DOCUMENTED**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Great Marathon Radio )  
Company against Florida Keys Electric )  
Cooperative Association, Inc. Seeking Penalties )  
And Other Relief for FKEC's Failure to ) Docket No. PSC-18- -EU  
Fulfill Its Duty To Provide Service, Failure To )  
Follow Its Tariff, Failure To Comply With )  
Multiple Florida Public Service Commission )  
Rules, and Attempting to Impose an Unduly ) Date: October 18, 2018  
Discriminatory Rate Structure )

Attachment 3 to Complaint and Petition

FKEC's "Term Sheet"

Subject: Boot Key  
From: TJ Patterson <[tj.patterson@fkec.com](mailto:tj.patterson@fkec.com)>  
Date: Thu, August 23, 2018 11:14 am  
To: "[jnascone@bellsouth.net](mailto:jnascone@bellsouth.net)" <[jnascone@bellsouth.net](mailto:jnascone@bellsouth.net)>

Joe,

Thank you for calling earlier.

Attached, please find the Term Sheet we discussed.

Please contact me once you have had a chance to review the document and let me know your thoughts.

Thank you.

All the best,

TJ Patterson  
Member Service Representative

Florida Keys Electric Cooperative Assoc., Inc.  
P.O. Box 377  
Tavernier, FL 33070  
(305) 743-5344 ext: 127  
(305) 743-9191 Fax  
<http://www.fkec.com>



## TERM SHEET

1.0 This is a term sheet by and between **Florida Keys Electric Cooperative Association, Inc. (FKEC)** and **Joseph Nascone (Nascone)**, setting forth the material terms of a proposed agreement for restoration of electric service to Nascone's premises on Boot Key in FKEC's service area.

2.0 This term sheet is not a binding agreement between the parties, but is a good faith representation of the terms and conditions the parties intend to be included in a final binding agreement (Agreement) on the subject matter.

3.0 The parties agree to negotiate in good faith to implement an agreement acceptable to both parties within sixty (60) days of the signing of this term sheet. Either party may terminate this term sheet upon five (5) days written notice to the other by hand delivery, text message, email, or USPS. If the parties do not execute the Agreement within the sixty-day time period, this term sheet shall expire, and the parties shall be relieved of any further obligations hereunder.

4.0 The material terms and conditions to be included in the Agreement are as follows:

4.1 Nascone will be solely responsible for:

- (a) All costs above \$50,000.00 (the approximate cost of repairs if the service location was not on an inaccessible island);
- (b) Establishing and maintaining infrastructure on Boot Key that will allow for the mobilization and demobilization of FKEC's heavy equipment on to the island necessary for the restoration activities and for any future maintenance and repair activities by FKEC;
- (c) Providing a \$250,000 nonrefundable deposit before engineering the restoration services;
- (d) Maintain future access to all FKEC facilities on Boot Key adequate for FKEC's heavy equipment;
- (e) All future costs required to mobilize and demobilize equipment on Boot Key for FKEC's maintenance and repairs.

4.2 FKEC shall:

- (a) Upon complete execution of this Agreement, commence the required engineering design phase for the restoration activities;
- (b) Put the project out for bid once the engineering design is complete;
- (c) Cease to provide service to Nascone's Boot Key facilities if Nascone does not comply with Nascone's obligations under the Agreement;
- (d) Seek reimbursement from the sailboat owner and his insurance company for the damage caused to FKEC's facilities previously providing service to Boot Key. All funds recovered from the sailboard owner or his insurance company that exceed FKEC's damages and costs will be applied to Nascone's costs.

5.0 All remaining funds from any deposits by Nascone will be refunded after payment of all FKEC costs and expenses following the completion of the project.

6.0 Once FKEC completes its engineering plans for restoring service to Boot Key, has placed the project out for bid, and has received cost estimates from credible bidders, FKEC shall add to that amount costs incurred and to be incurred by FKEC and shall provide notice thereof to Nascone, who shall at that time have the option of going forward with the project based on the reasonable estimated costs or cancelling the project and relieving FKEC of and from any further liability in connection with establishing and maintaining any infrastructure or service on Boot Key.

7.0 The parties understand that the estimated total cost of the overall project are estimates only. Any costs above the estimated total cost will be the responsibility of Nascone.

8.0 The \$250,000 deposit provided by Nascone, together with any additional deposit required by FKEC, shall be applied to the overall total cost of the project, including FKEC's engineering costs, whether the project goes forward or not.

9.0 Prior to the commencement of any physical work for the restoration activities by FKEC, Nascone shall provide FKEC with the precise location of any other facilities, underground or overhead, on his premises on Boot Key, including all other utility services, underground structures, storage tanks, septic tanks, etc. Damage to any such facilities not disclosed by Nascone or improperly located shall be the sole responsibility of Nascone.

10.0 Nascone shall provide FKEC with proof of a controlling ownership interest in the premises to be served by FKEC on Boot Key, with full authority to bind any legal business organization and himself personally as owner of the premises. Joseph Nascone shall provide a personal guarantee for the payment of all sums due FKEC under this Agreement.

11.0 Nascone shall represent and warrant that there are no threatened or pending legal proceedings that would adversely affect either his title to the premises or the ability of Nascone to discharge his obligations hereunder.

12.0 As used herein, the term "Nascone" shall include Joseph Nascone individually and all business organization owned and/or controlled by him on Boot Key.

The aforesaid term sheet is hereby agreed to as evidenced by the signatures of the parties as follows:

NASCONE:  
[Full legal name of entity owning the premises]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name of Authorized Person: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

FLORIDA KEYS ELECTRIC COOPERATIVE  
ASSOCIATION, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

Joseph Nascone, individually

Date: \_\_\_\_\_