



Increasing Energy Costs

Summer 2022

Today's Agenda

- KEYS Bill Components
- How has your bill changed over last year?
- Power Cost Adjustment (PCA) 101
- What is driving PCA increases?
- What can we do?
- Key Customer Messages



KEYS Bill Components

Charge	Description	Rate	Total for 1,000 kwh
Energy Charge	Cost to provide service includes, power costs, O&M, Capital, Debt	\$0.11/kwh	\$110.00
Power Cost Adjustment	Recovers power costs not in the Energy Charge and fluctuates depending on power costs	\$0.07465/kwh	\$74.65
Customer Charge	Recovers costs not associated with consumption such as meter reading, bill prep, certain distribution costs in getting power to your home	\$24/month	\$24.00
Storm Surcharge	Funds KEYS Disaster Reserve and Mitigation Fund	\$0.00135/kwh	\$1.35
Gross Receipts Tax	Tax by State of Florida used for public education capital outlay funding	2.56% of bill	\$5.38
Total			\$215.38



PCA is the Culprit

Residential Customer Bill Usage		1,000 kWh			
	<u>Jan. 1, 2021</u>	<u>Nov. 1, 2021</u>	<u>Jan. 1, 2022</u>	<u>Mar. 1, 2022</u>	<u>June 1, 2022</u>
Energy Charge (Billed per kWh)	\$ 122.30	\$ 122.30	\$ 110.00	\$ 110.00	\$ 110.00
Customer Charge (Flat Fee)	\$ 22.00	\$ 22.00	\$ 24.00	\$ 24.00	\$ 24.00
Storm Surcharge (Billed per kWh)	\$ 2.69	\$ 2.69	\$ 1.35	\$ 1.35	\$ 1.35
PCA (Billed per kWh)	\$ (11.59)	0	\$ 11.60	\$ 26.30	\$ 74.65
Total	\$ 135.40	\$ 146.99	\$ 146.95	\$ 161.65	\$ 210.00

*Gross Receipts Tax of \$5.38 not included.



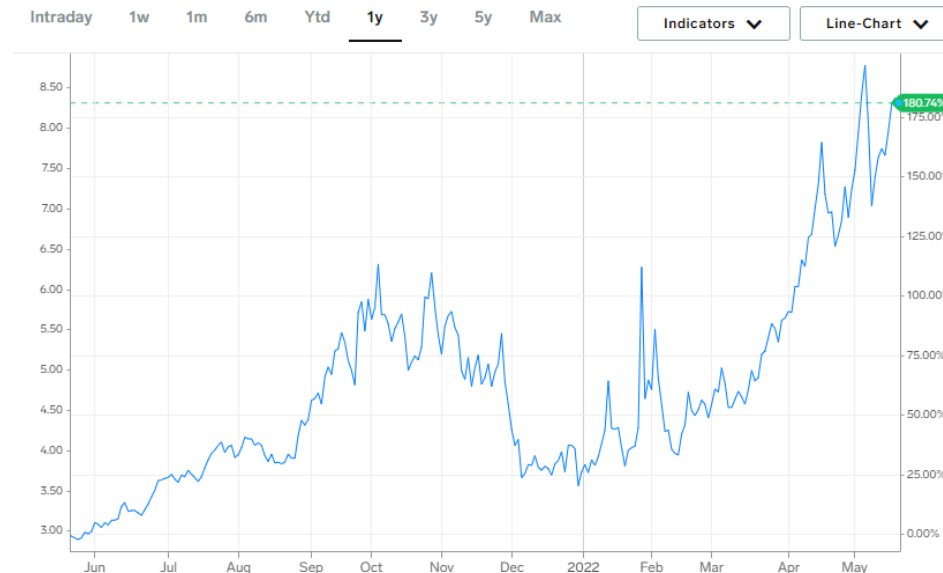
PCA 101

- What is the PCA?
 - Stands for Power Cost Adjustment
 - Collects/refunds the difference between billed cost of Wholesale Power and assumed cost of Wholesale Power imbedded in the Energy Charge
 - Projected Total Cost of Power from FMPP & True Up: \$.1367/kwh
 - Current Power Cost in Energy Charge: \$.06220/kwh
 - Power Cost Adjustment eff June 2022: \$.0745/kwh
- How is the PCA determined?
 - KEYS uses a model that considers:
 - Actual/Projected Total Invoice from Wholesale Power Provider (FMPP)
 - Actual/Projected Monthly kwh Sales to Customer
 - Over or Under Collection from Previous Months
 - FMPP Bills in Arrears
 - KEYS Bills in Arrears
 - The PCA can be changed monthly, but KEYS prefers quarterly (or less) for consistency

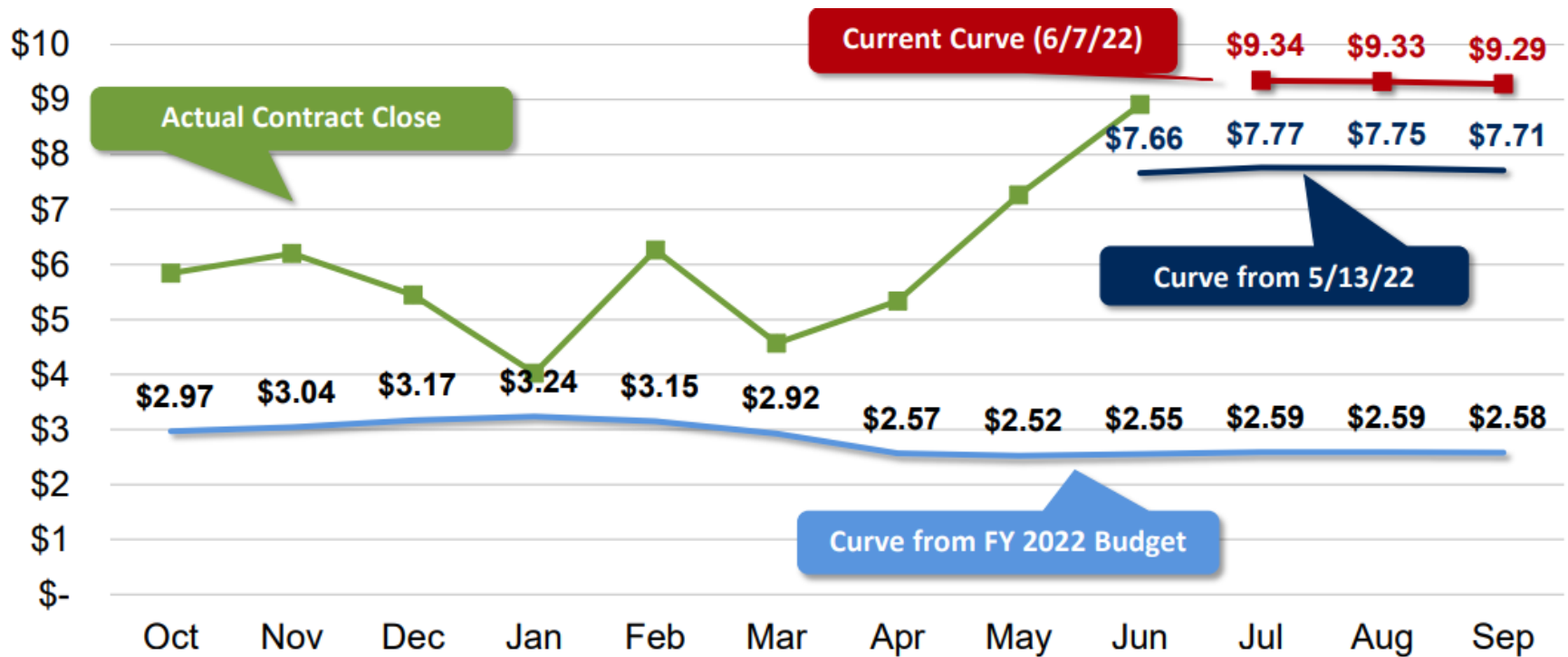


What is Driving the Cost Increase?

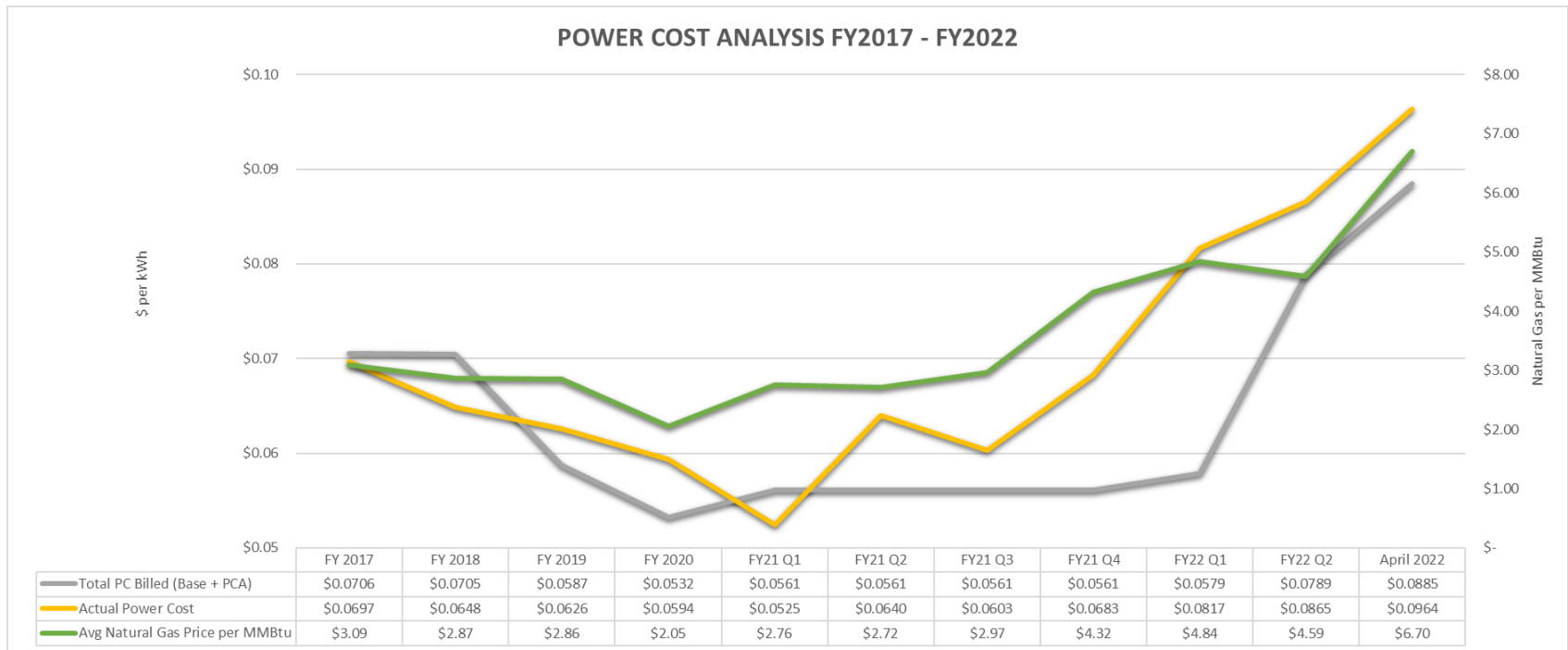
- The majority of our purchased power is produced in Natural Gas fired power plants.
 - Natural Gas prices are up dramatically.



Price of Natural Gas Drives Energy Costs Up



KEYS PCA Increases Tracking With Wholesale Power Costs

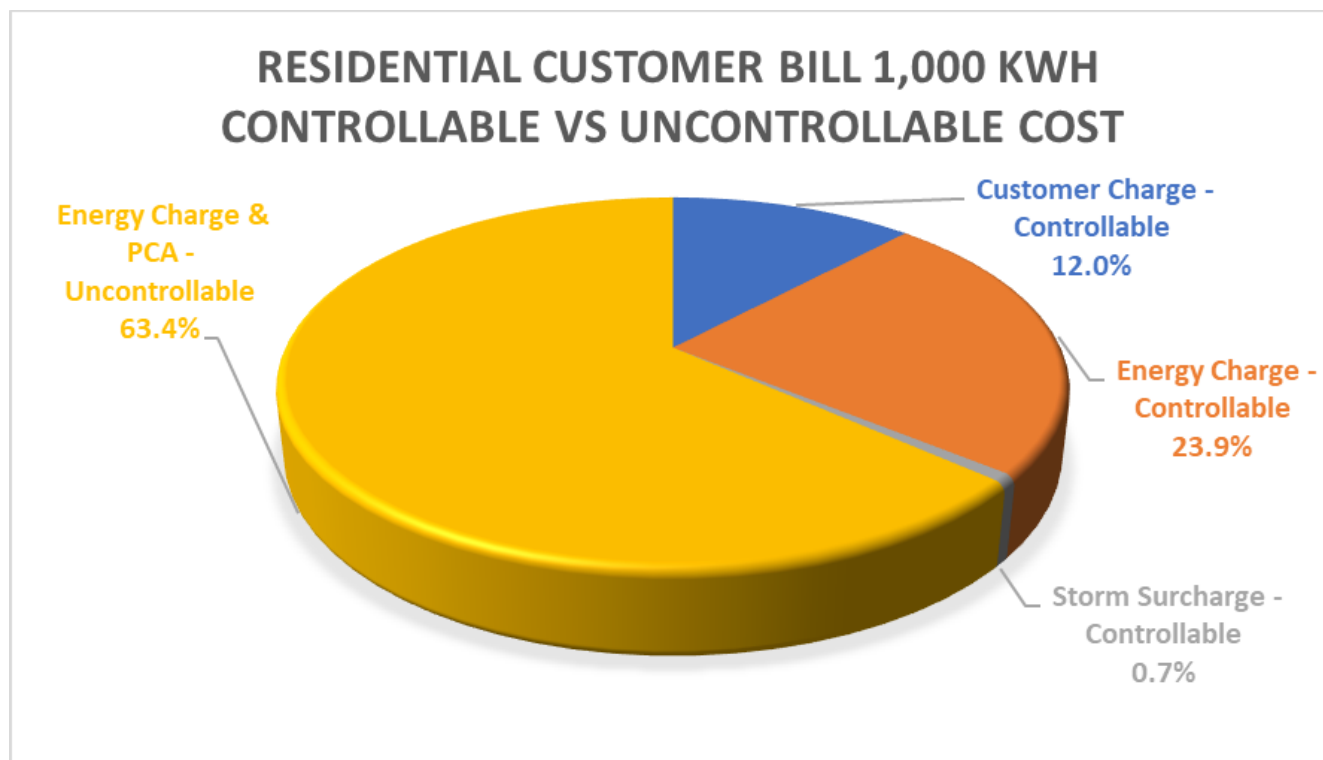


What is Driving the Cost Increase?

- Natural Gas rig counts remain low compared to pre-pandemic levels
- Pipeline building held up
- More gas being exported due to the war in Ukraine
- Current Administration opposes domestic oil and gas production on and off Federal Lands and Waters
- No forecast end in site



Energy Cost is Majority of Your Bill



What Can We Do?

- Wholesale Power
 - Reduce Wholesale Power Costs
 - How:
 - Sell Excess Power
 - Utilize most efficient units
 - Gas costs up \$250m, savings only amount to \$30m
 - Switching to other fuels has limitations
 - Coal
 - Solar
 - Diesel
 - Reduce Cost of Natural Gas
 - Hedge
 - Lobby Congress to improve energy policies
- KEYS will try to cut and maintain controllable costs
- Customer can reduce consumption if willing



Key Takeaways

- We understand your bill is higher and that it is painful
- Two things contribute to higher costs
 - Cost of wholesale power
 - How much energy you consume
- Wholesale Cost of Power is up dramatically, and that cost has to be passed to customers
- KEYS is maintaining or reducing other controllable costs
- We can help you reduce your consumption if you are interested in and willing to conserve



Conservation Tips

- Use a programmable thermostat (KEYS has a rebate if you would like to purchase) and set the thermostat to 78°F when you are not home.
- Use fans in rooms you are occupying to cool the ambient air temperature.
- Take shorter showers and turn off hot water when shaving, washing hands, etc.
- Use an air-fryer, crock pot or microwave instead of a regular oven.
- Unplug second fridges or freezers, if possible, as they consume large amounts of energy.
- Turn off unnecessary lights and use natural light.
- Unplug unused electronics.
- Use the air-dry setting on your dishwasher.
- Line dry clothes when possible instead of using the dryer.

