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UTILITY BOARD OF THE CITY OF KEY WEST

March 4, 2003

To the Chairman and Members
of the Utility Board of the
City of Key West, Florida

The Comprehensive Annual Financial Report ("CAFR") of the Utility Board of the City of Key West, Florida, for the Fiscal Year ended September 30, 2002, is submitted herewith, pursuant to and by the authority of Chapter 69-1191, Laws of Florida, as amended, and Resolution No. 532 of the Utility Board, Article V, Section 5.01 (H), adopted November 13, 1985, as amended and supplemented. The CAFR was compiled by the staff of the Finance Department with the close cooperation of our independent auditor and represents the official report of the Utility's financial operations and conditions to the citizens, Utility Board, System management personnel, rating agencies, bond holders and other interested parties.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Utility. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations and cash flows of the Utility. All disclosures necessary for the reader to gain a thorough understanding of the Utility's financial condition have been included. The Utility Board has adopted the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of October 1, 2001. Statement 34 establishes standards for external financial reporting for all state and local government entities which includes a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The Utility's MD&A can be found immediately following the Independent Auditor's Report. In order to meet the needs of a broad spectrum of financial statement readers, the CAFR is presented in three sections: Introductory Section, Financial Section, and Statistical Section.

The Introductory Section includes the table of contents and this transmittal letter. The Financial Section is comprised of the independent auditor's report, a discussion and analysis of our financial position and results of operations, the financial statements, supplemental schedules and other auditor's reports. The notes to the financial statements are considered an integral and essential part of adequate disclosure and fair presentation of the financial statements. The Statistical Section includes selected financial and demographic trend information. The tables within this section differ from the financial section schedules in that they present some non-accounting data covering more than two fiscal years.

The Utility Board of the City of Key West realizes its role, as a public power entity, has never been more important. The present organization was created by provisions of Chapter 69-1191, Laws of Florida (1969), as amended, to manage, operate and maintain the electric utility servicing the citizens of the City of Key West, Florida and the Lower Florida Keys.

Respectfully submitted,

Handwritten signature of Stanley T. Rzad in black ink.

Stanley T. Rzad
Director of Finance

Handwritten signature of Carl R. Jansen in black ink.

Carl R. Jansen
General Manager

Letter of Transmittal

A Year of Change

Fiscal 2002 proved to be a year of significant change for the Utility Board of the City of Key West. After *doing business as City Electric System* since 1943, the utility changed its name to Keys Energy Services. The new name and logo became effective on May 1, 2002 during a special unveiling ceremony attended by the Utility Board, Keys Energy employees, public officials, community members, various representatives of associations and vendors.

The new name heralds a new time for the utility. For years, the Utility Board has been preparing for eventuality of deregulation with an ultimate goal of being our customers' utility of choice. The Utility Board has focused on improving reliability, reducing rates and expanding customer services. The name change was the culmination of the Utility Board's efforts to meet our customers needs. Reliability is at its best with both the number of distribution outages and the number of customer distribution outage minutes at a record low; two rate decreases have been offered to our commercial customers; and customer services has expanded to include a number of new products and services. With its new name, Keys Energy Services plans to build upon its recent successes and exceed customer expectations.

The name Keys Energy Services reflects the area it services; allows the utility to add new energy products; and highlights the utility's commitment to service. Most importantly, the new name embraces all of our customers establishing Keys Energy Services as the hometown utility.

Reliability At Its Best

In a 1999 customer satisfaction survey, Keys Energy Services customers identified reliability as the top attribute in selecting an energy provider. KEYS has diligently worked to improve reliability with numerous transmission and distribution projects. The projects have paid off in a reduction of outages. The average KEYS customer experienced a total of 88 outage minutes in a year for the three-year average from 2000 through 2002. This compares with the national average of 114 outage minutes per customer; and the Southeast area average of 120 outage minutes per customer. KEYS is proud to have such a strong reliability record.

Even with outages at a record low, Keys Energy is not resting on its laurels. Transmission and Distribution upgrades continue during Fiscal 2002. Keys Energy and Florida Keys Electric Cooperative worked together to upgrade the foundations of 35 transmission poles south of Tavernier. Additionally, transmission relays in various substations were upgraded to a more sophisticated digital relay which provides fault data including magnitude and location of fault. Older aluminum substation gang switches were replaced by new copper gang switches which prove to be more durable and reliable in the Keys environment.

In order to increase distribution reliability and power quality, Keys Energy Services located property on Cudjoe Key for a new substation. KEYS has awarded a contract for material and labor for the new substation and construction is expected to begin in the Summer of 2003.

In order to further reduce the number of power outages, Keys Energy began a fuse coordination project. Numerous fuses were installed throughout feeders in the Keys. Fuses are devices used to separate feeders into smaller areas. So in the event of a fault, only a small area - or small number of customers - will experience an outage instead of an entire feeder - or large number of customers - experiencing an outage. The fuse coordination project will continue into Fiscal 2003 when KEYS crews focus their attention on adding fuses in Key West.

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Reducing Costs

At the start of Fiscal 2002, the utility implemented a rate decrease for commercial customers. This decrease, the second for commercial customers in just two years, results in additional savings of 4.9 to 6.4 percent for commercial customers. The reduction in commercial rates moves the Utility closer to its goal of allocated cost of service. Both rate decreases have been possible by the utility's continuing emphasis in reducing costs.

Efforts to redevelop the Key West Steam Plant Property continued in Fiscal 2002. A proposal for redeveloping the property with artists' colony and affordable housing units to address a community need was abandoned due to the high costs associated with construction in the plant. Keys Energy Services issued another request for proposals and received three similar proposals for redeveloping the Key West Steam Plant into a mix of luxury condominiums and affordable housing units. The Utility Board selected Old Town Key West Development, Ltd., and entered into a memorandum of understanding. At the close of Fiscal 2002, Old Town Key West Development, Ltd., was moving rapidly to attain needed approval from the Historic Architectural Review Committee, the Development Review Committee, the Planning Board, the City of Key West City Commission and the Florida Department of Community Affairs. Upon gaining support from these local agencies, Old Town Key West Development Ltd., will seek tax credit financing in order to offer the affordable housing component with low income rents. As currently envisioned, the project would include 19 luxury condominiums and 38 one-, two- and three-bedroom affordable apartments. Keys Energy Services would receive an annual lease payment from the project that would flow back to its ratepayers.

Outstanding Customer Service

Customers came first in 2002. Keys Energy Services identified a customer interest in paying electric bills automatically with credit cards. Keys Energy expanded its Easy Pay program to include auto debit from credit cards as well as from checking accounts. Many customers are using these Easy Pay options. The Big Pine Key Service Center celebrated its one-year anniversary at Shops on Ships Way, and customers have expressed their appreciation to KEYS for opening a neighborhood branch.

Along with the name change, Keys Energy Services modernized its website and adopted a new web address: KeysEnergy.com. The site has information about the utility, current events and more interactive options. Customers can request an energy survey or an area light and even disconnect service.

Finally, the Utility and its employees continued to be active in the community. This year, Keys Energy Services was named as a member of the Chamber of Commerce's Five-Star Education Program indicating that Keys Energy offers the highest level of support to local public schools. Employees continue to volunteer to work at the polls during elections. They are also proud members of the Rotary; the Chamber of Commerce; Leadership Monroe County; Governmental Affairs Committee; the Woman's Club; Crimestoppers; Beta Sigma Phi; the American Red Cross; the Wesley House; and the American Cancer Society.

Letter of Transmittal

Entity Definition

Enabling Legislation - Pursuant to the provisions of Chapter 69-1191, Laws of Florida, Special of 1969, as amended and supplemented, Section 11, the said Utility Board shall have full and complete power and exclusive authority to fix rates and charges for electricity and charges or prices for any other real and personal property, products and services, materials and commodities, by-products of and from all or any of its activities or operations, furnished or sold by said Utility Board, and to provide for the collection of the same.

Bond Resolution - Pursuant to the provisions of the Original Bond Resolution, 532, adopted on November 13, 1985, as amended and supplemented, Article V, Section 5.01, (B), the Board covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the Utility which will always provide Revenues in each Fiscal Year sufficient to pay, and out of such funds pay, 100% of all Operating Expenses of the Utility in such year and all reserve or other payments herein required, and 125% of the Debt Service Requirement in such Fiscal Year on the Bonds. Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide Revenues for such purposes.

The Board further covenants and agrees that the Board will annually within thirty (30) days after adoption of the budget revise such fees, rates, rentals and other charges for the use of the product, services and facilities of the Utility to the extent necessary for the estimated Gross Revenues during the next succeeding Fiscal Year to increase over the amount of actual Gross Revenues for the next preceding Fiscal Year by the amount that the estimated Operating Expenditures during such next succeeding Fiscal Year shall exceed the actual Operating Expenses of the Utility during such next preceding Fiscal Year.

The Florida Public Service Commission (FPSC) - has rate structure jurisdiction. No rules and regulations, or schedules of rates and charges, or modifications or revisions of the same, shall be effective until filed with and approved by the FPSC as provided by law. Upon acceptable showing by any utility, the FPSC may waive or modify, as to that utility, the provisions of any rule, except when such provisions are fixed by Statute. No deviation from these rules shall be permitted unless authorized in writing by the FPSC. Each utility shall file with the FPSC tariffs applicable to all territory served by it, showing all rates, classifications, and charges for service subject to the jurisdiction of the FPSC, furnished by the utility, and all rules and regulations relating thereto. A letter of transmittal shall be accompanied by various items in connection with each service classification in which any change is proposed. Where the change involves a rate or charge and the electric utility elects to make a cost study, the utility shall file a cost information statement containing a summary of the cost study performed. After acceptance, one stamped copy will be returned to the utility, which shall be the notice to the utility that the filing has been accepted and approved.

Florida Municipal Power Agency (FMPA) - The Utility is a member of, and receives all of its power needs from FMPA's All-Requirements Project. Each member appoints one representative to FMPA's Board of Directors, which governs the Agency's activities. The governance of rates charged to members includes the All-Requirements Project Committee (one vote per member) and the FMPA Board of Directors (a member's vote is weighted based on the Member City's net energy for load).

Letter of Transmittal

Basis of Accounting

The financial statements are prepared on the basis of accounting required by the Federal Energy Regulatory Commission (FERC), which is an application of generally accepted accounting principles that is peculiar to utilities. Revenues are recognized in the period earned and expenses recognized in the period incurred. Budgetary control is maintained through the use of monthly financial reports and the use of purchase orders, work orders, and miscellaneous cash disbursements and approval procedures. Property, Plant and Equipment is stated at cost, which includes costs of contract work, labor, materials, allocated indirect charges, and capitalized interest. Major renewals and betterments are capitalized while minor replacements and repairs are expensed as incurred. The cost of electric plant retired, together with removal costs less salvage, is charged to accumulated depreciation at such time as property is removed from service. Your attention is directed to Note 1 of the Notes to the Financial Statements, which fully describes the accounting practices for the presentation of the financial statements.

Internal Accounting Controls

In developing and maintaining the accounting system, consideration is given by the administration as to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition; the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles; and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of cost and benefits require estimates and judgments by management. For the fiscal year ended September 30, 2002, the Auditor noted no matters involving internal control over financial reporting and its operation that would be considered to be a material weakness.

The first level of control comes directly from the Enabling Act (69-1161). Section 17 requires the Utility Board hire independent certified public accountants to complete an annual audit. The second level of control comes from the covenants made by the Utility Board to the bondholders. Among other requirements, the Utility Board must keep accounts in accordance with generally accepted accounting principles and to file audited annual financial statements with the Auditor General of the State of Florida within 180 days after the close of its fiscal year.

Budgetary Control

In accordance with the Enabling legislation, the Utility Board holds public hearings and subsequently adopts an annual budget for operating expenses and capital outlay prior to October 1 of the fiscal year. Actual revenues and expenses are compared to the budget on a line item basis (which is the legal level of control) within cost centers, and an analysis of variances report is prepared and submitted to the Utility Board each month as required by bond indentures. During the year, staff can make amendments within the operating budget or the capital budget that do not change the total budget for those categories, provided that the change is within the same limitations established by Resolution adopted by the Utility Board. The Utility Board approves all other budget changes. Supplemental appropriations were necessary and the Utility Board in accordance with Utility Board policies amended the budgetary data presented herein. Budget appropriations lapse at each fiscal year-end except for the Capital Budget. The budget is adopted on a basis consistent with the KEYS' basis of accounting except for depreciation and amortization, debt service on revenue bonds, and allocation of administrative costs to capital projects.

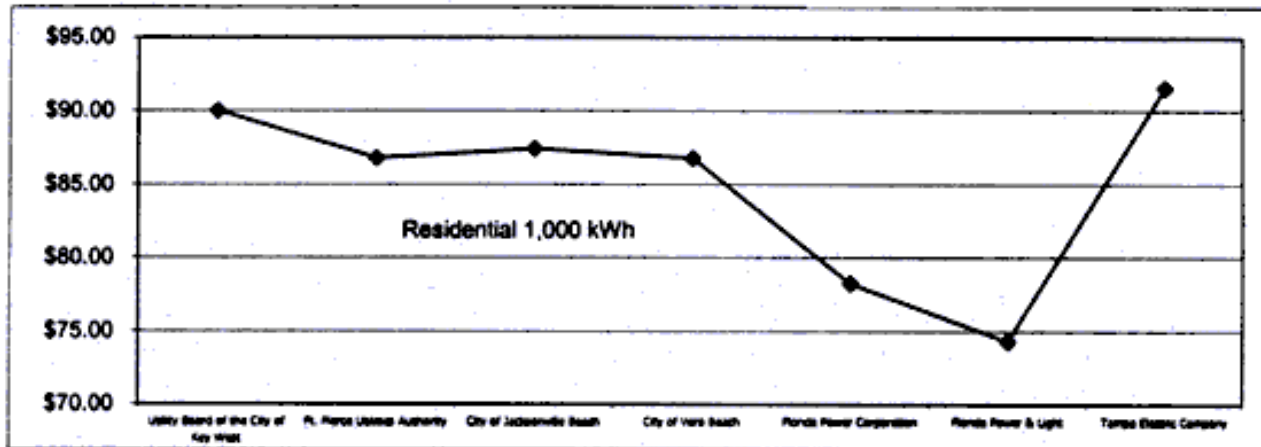
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Rates for Service

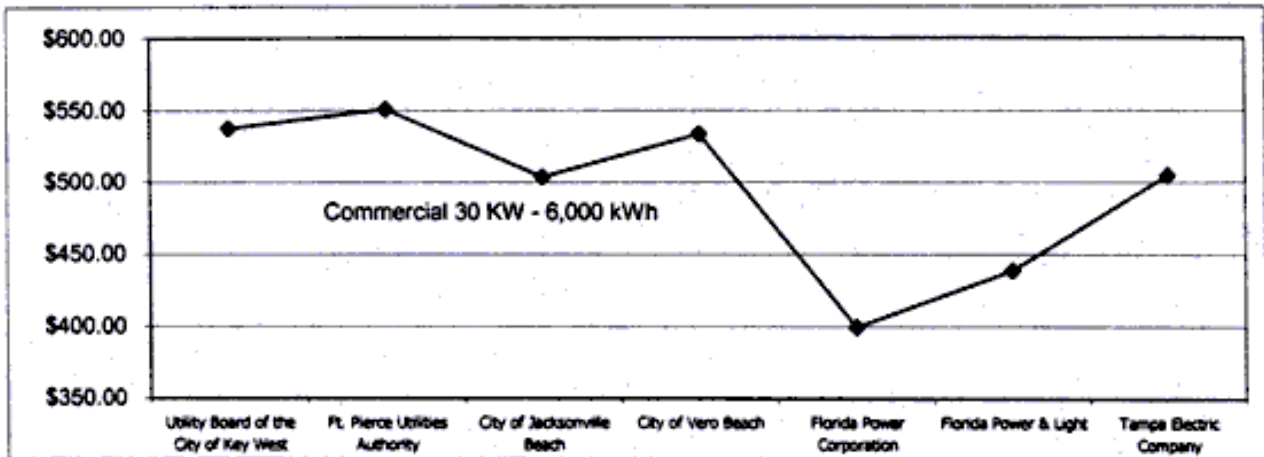
The following table compares average monthly charges for electric service among selected utilities in Florida for the fiscal year ended September 30, 2002.

Comparison of Monthly Electric Bills		
	<i>Residential</i> <u>1,000 kWh</u>	<i>Commercial</i> <u>30KW - 6,000 kWh</u>
	<u>\$90.00</u>	<u>\$537.50</u>
Utility Board of the City of Key West		
<i>Other Municipal Utilities in Florida</i>	Ft. Pierce Utilities Authority	\$86.78
	City of Jacksonville Beach	87.43
	City of Vero Beach	86.75
	\$533.70	
<i>Investor Owned Utilities in Florida</i>	Florida Power Corp. (dba Progress Energy, Fl. Inc.)	\$78.24
	Florida Power & Light	74.32
	Tampa Electric Company	91.59
	\$399.42	438.64
	504.88	

Source: Florida Municipal Electric Association, Inc., Tallahassee, Florida



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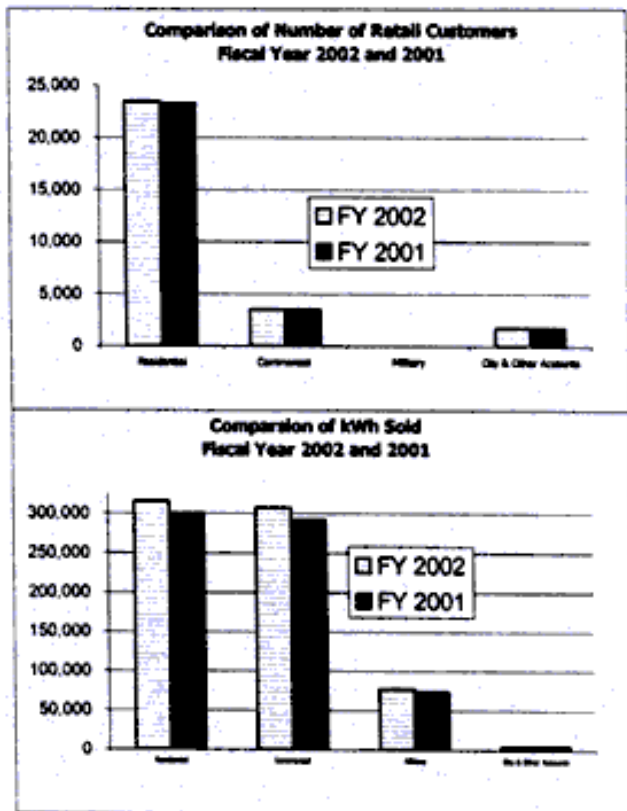
Customer Statistics

At fiscal year end 2002, the Utility's customer base was 28,754 or 202 more than the 2001 level of 28,532. Peak Demand (60 minute net) increased to 133.8 MW compared to the 2001 peak of 129.9 MW. Load Factor was 64.63% in 2002 compared to 63.33% in 2001.

The residential customer class increased by 203 to 23,471, while average monthly consumption of 1,120 kWh was higher by 46 kWh. The commercial customer class increased by 9 to 3,530 while average monthly consumption of 7,246 kWh was higher by 328 kWh. The average monthly consumption of the Military increased 244,070 kWh to 6,409,820 kWh.

Cash Management

Restricted cash and investments, as discussed in Notes 2 and 3 of Notes to Financial Statements, are invested in accordance with the Utility's practices, which are governed by State Statutes. Monies must be deposited in banks designated as qualified public depositories by the State of Florida, Department of Insurance and Treasurer.



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Permissible investments include Obligations of the U.S. Treasury, U. S. agencies, and any state of the United States of America, Certificates of deposit, Repurchase agreements, Units of participation in the State of Florida Local Government Surplus Funds Trust Fund, Commercial paper which is rated at the time of purchase in the single highest classification by Moody's and S&P and which matures not more than 270 calendar days after the date of purchase. and Investment Agreements with a bank or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, with certain conditions met.

The objective of the investment policy is to obtain competitive yields while providing the absolute maximum security against loss of principal. The cash management performance for the year ended September 30, 2002 produced earnings in the amount of \$0.7 million, which was \$1.2 million less than 2001 as a result of lower rates.

Purchased Power

The Utility Board voted on July 7, 1997, to participate in the FMPA All-Requirements Project (ARP) whereby the Utility will purchase their bulk power supply requirements, in excess of certain excluded resources, from the ARP. The Utility began operations as a project participant effective April 1, 1998. The Utility Board has previously entered into several purchased power arrangements including (i) the FMPA Tri-City Project (Stanton 1); (ii) the FMPA Stanton 2 Project, and (iii) long-term purchase agreement from Florida Power & Light Company (FPL). As a member of the ARP, the Utility Board's resources and costs under these three contracts have been assigned to FMPA. Other power resource and sale arrangements include the Utility Board's purchases from a small resource recovery unit located on Stock Island, Sale of power to the Florida Keys Electric Cooperative Association, Inc. (FKEC) and interchange service arrangements with other Florida utilities and with power marketers. All of the power purchases listed above, except for the purchase from the resource recovery unit, require transmission over the FKEC transmission system. On January 1, 1992, this became a jointly owned system between the System and FKEC and is covered by a Long-Term Joint Investment Transmission Agreement. Please see Notes to Financial Statements for further information.

Transmission Facilities

KEYS is connected to the mainland Florida transmission network through a 61 mile long, 138 kV transmission line jointly-owned by the Utility Board and the FKEC and which allows interconnection between KEYS and FKEC at its Marathon Substation. The 138 kV transmission line extends northeast along U.S. 1 through FKEC's service territory and ties in with FPL at the Monroe-Dade County line. The Utility Board's solely-owned portion of the 138 kV line extends from Marathon Key, in the FKEC service territory, to the Stock Island (U.S. 1) Substation. Along this route, the line loops in and out of the Utility Board's Big Pine and Big Coppitt substations.

Pursuant to the current transmission agreement with FKEC, the Utility Board constructed and jointly owns with FKEC a second 138 kV transmission line, which extends 21 miles from the Tavernier Substation in the FKEC service territory to the Monroe-Dade County line, where it ties into the FPL 138 kV transmission line. The two transmission lines between Florida City and Tavernier provide greater reliability and increased import capability to KEYS. With the addition of this latest segment of 138 kV line and the conversion of the

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decommissioned steam generating unit at the Stock Island Plant to a synchronous condenser, the firm MW transfer allocation for KEYS over the Transmission Line is approximately 110 MW. The transfer capability of the transmission line is approximately 270 MW. KEYS local transmission facilities consist of seven-69 kV lines (14.9 miles) in Key West/Stock Island and four-138 kV lines (51.2 miles) from Key West to Marathon. Distribution is supplied from the 69/138 kV system to KEYS' seven distribution substations.

Distribution Facilities

KEYS' distribution system comprises approximately 251.3 miles of three-phase equivalent 13.8 kV and 6.7 miles of three-phase equivalent 4.16 kV feeder lines from the Utility's power plants and seven distribution substations. An eighth substation, located at Cudjoe Key is planned for 2003. Switching for the 13.8 kV distribution is provided by 13.8 kV metal clad switchgear. Distribution at 4.16 kV is provided via 13.8 kV – 4.16 kV transformers with varying capacities. There are numerous sectionalizing and isolation switches on both the 13.8 kV and 4.16 kV distribution systems. Additionally, transformer vaults are used on the distribution systems to step down from distribution voltage to utilization voltage at hotels and other large loads.

Local Generation Facilities

The Utility Board currently owns, operates, and maintains nine generating units with a total Nameplate rating of 50.4 MW. This includes a combustion turbine unit and two medium speed diesel units at the Stock Island Generating Facility and six peaking diesel units located at Stock Island, Big Pine Key, and Cudjoe Key. Additionally, FMPA owns two combustion turbines at Stock Island, with Nameplate ratings of 18.6 MW and 18.1 MW respectively. These two units contribute to the total Nameplate rating of 87.1 MW. The Utility operates all the units with No. 2 oil. Under provisions of the ARP Supply Contract, the output of the Utility-owned generating facilities is being purchased in its entirety by FMPA as part of the ARP. The table entitled "Generating Capacity" in the Statistical Section provides more detailed information.

Debt Administration

The principal amount of Long Term Debt, net of the current portion, was \$75.6 million at September 30, 2002, compared to \$84.3 million at September 30, 2001. All outstanding debt had fixed interest rates, with exception of the Loan Payable, which carried a variable rate. Total revenue bond debt was comprised of three refunding bond issues: 1991, 2000 and 2001. All issues are rated AAA by Standard & Poor's (S&P) and insured by AMBAC Indemnity Corporation. On July 3, 2001, the Utility Board issued \$11.8 million of Electric System Refunding Revenue Bonds, Series 2001 for the purpose of refunding a portion of the Board's outstanding Series 1991 bonds.

The Utility Board approved the execution of a loan agreement in November 1999 from the Florida Municipal Power Authority Pooled Loan Project to provide funding for certain upgrades to the Transmission Line in connection with the making of repairs as a result of damage caused by Hurricane Georges in September 1998. During the fiscal year ended September 30, 2002, a principal payment was made in the amount of \$340,000. The net loan payable balance was \$680,000 at fiscal year end. Please refer to Note 5 in the Notes to Financial Statements for further information.

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Risk Management

Community-owned electric systems have a long and successful track record of partnering with other utilities when it serves their common interests. By working together with FMPA, for example, KEYS can leverage its resources in efforts like risk management. When FMPA's members adopted a plan in 2002 to develop risk management capabilities, FMPA acted promptly. A formal risk management policy was developed and approved by the FMPA Board of Directors. FMPA decided to add staff with experience in energy risk management and implement practices to mitigate rate increases. Additionally, a committee of the FMPA Board was created to oversee FMPA's risk management activities, and an internal FMPA team was formed that executes the risk management strategy.

Additionally, KEYS is exposed to various risks of loss related to torts, damage, theft or destruction of assets, errors or omissions, injuries to employees and the public. The Utility will either retain the exposures to loss or transfer the risk to a commercial carrier, to minimize the financial impact on the Utility. The Utility retains the risk of loss up to the deductible amounts. Please see the table entitled "Schedule of Property, Casualty and Other Insurance" in the Statistical Section for detailed information on specific coverage included in the program developed by the Risk Management section.

Under this program, coverage is provided for worker's compensation, comprehensive -general liability, excess liability, automobile comprehensive and physical damage, crime and fiduciary, public officials errors and omissions, property, boiler and machinery, windstorm, flood and pollution liability. The Risk Management section, is striving to meet the goal of continuous no-lost time accidents and minimizing injury claims, through their coordinated and continuous efforts in monitoring potential risk exposures and implementing safety control programs, such as Safety Training Observation Program ("STOP"), coupled with effective claims administration.

Independent Audit

Resolution No. 532 of the Utility Board, Article V, Section 5.01 (H), adopted November 13, 1985, as amended and supplemented requires an annual audit by independent certified public accountants. The Utility Board selected the accounting firm of Marva Green, P.A., Inc. The auditor's report on the financial statements is included in the Financial Section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utility Board of the City of Key West for its comprehensive annual financial report for the fiscal year ended September 30, 2001. This was the tenth consecutive year that the Utility Board has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

We extend our personal thanks to the dedicated efforts of those employees who spent many hours preparing, revising and finalizing this document. We are grateful to Marva Green, P.A., Inc. whose professional skill and integrity have allowed us to present a report that meets the highest standards of financial reporting. Finally, we would like to thank the members of the Utility Board of the City of Key West for their interest and support in planning and conducting the operations of the Utility in a responsible and progressive manner.

Certificate of Achievement

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Utility Board of the City
of Key West, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

Officials and Employees

Utility Board of the City of Key West, Florida



Chairman Robert R. Padron has served on the Utility Board since 1995. He was employed by City Electric System from 1961 to 1994, and retired as the General Manager. Mr. Padron holds a Bachelor of Science Degree from Tulane University and a Master's of Science from NOVA University. He serves on various committees of the Florida Municipal Electric Association (FMEA) and the American Public Power Association (APPA).

Vice-Chairman Dr. Otha Cox has served on the Utility Board since 1979. He is retired from the Monroe County School Board where he served in various capacities, finishing as Assistant Superintendent of Schools. Dr. Cox earned his Ph.D. from Michigan State University. He serves on various committees of the APPA and is a member of the FMEA. He was the 1995 recipient of the APPA's Spence Vanderlinden Public Official Award.

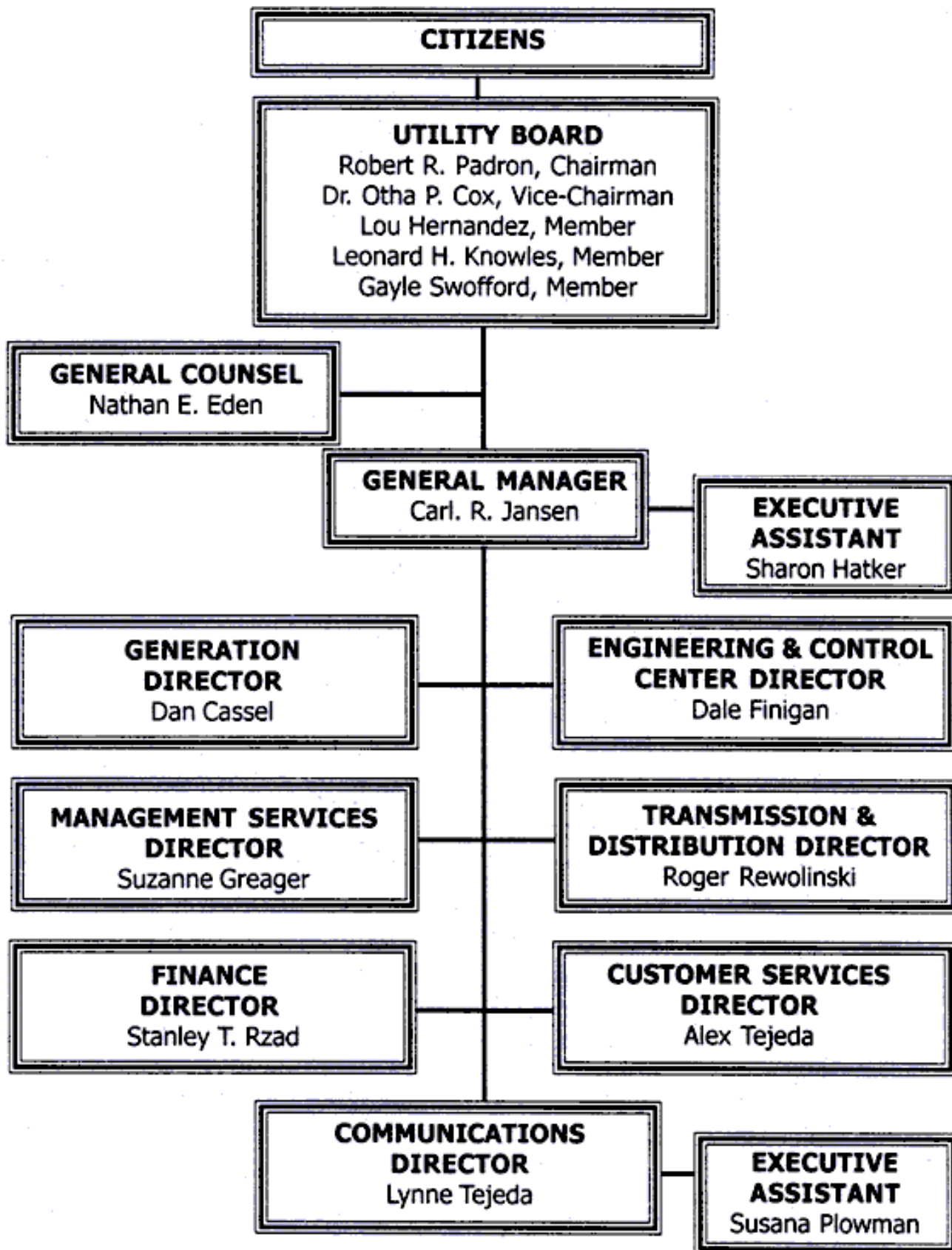
Lou Hernandez has served on the Utility Board since 1997. He is the Executive Director of HELPLINE, Inc., a crisis intervention and information referral telephone hot line in Monroe County. He is past president of the Key West Business Guild. He graduated from Texas A&M University.

Leonard H. Knowles has served on the Utility Board since 1991. He retired in 1998 from Monroe County where he was Chief Deputy in the Property Appraiser's office. He was employed by City Electric System from 1959 to 1987, retiring as Superintendent of Meter and Commercial Department. He serves on various committees of the FMEA.

Gayle Swofford has served on the Utility Board since 1997. He had previously served as Chairman of the Utility Board from 1975 until 1979. Mr. Swofford built the first FM radio station in the Florida Keys in 1965. He owned and operated WKIZ AM and WEOW FM until May 1990.

Officials and Employees

Organizational Chart Fiscal Year Ending 2001-2002



Officials and Employees

Keys Energy Services Employees as of September 30, 2002

Sylvia Adams	Wayne Davila	Steven Key	Martha Ramas
John Albury	Jose Del Rio	Harold Knowles	Beverly Ray
Gus Alfonso	Jason Dean	Patricia Knowles	Roger Rewolinski
Matthew Alfonso	Pedro Delgado	James Kobezak	Milton Roberts
Barbara Archer	Tanya Delgado	Brenda LaLama	Randy Roberts
Frank Arencibia	Edee Delph	Julio Lot	Chasity Rodriguez
Heather Arencibia	Rolando Diaz	Tom Mariucci	David Rodriguez
Pedro Arencibia	Patty Dixon	James McClendon	Manuel Rodriguez
Raymond Baker	Michael Domenech	Phillip Medina	Sharon Rodriguez
Deborah Barnett	Eugene Edwards	Neil Mellies	Steve Rodriguez
Robert Barrios	John Fallon	Ony Mendez	Bobby Ruble
Terry Beeman	Dale Finigan	James Menite	Billy Russell*
Faye Bethel	Chuck Finlayson	Rochele Miller	Stan Rzad
Harry Bethel, Jr.	Nancy Flores	Armando Mira III	Manuel Sanchez
Tony Bethel	Alvin Frazier	Horace Mobley	Kristi Sanderson
Chantal Blais	Kim Free	Patrick Mobley	Chris Sauls
Karla Bravo	Russell Free	Stephen Nacrelli	Michael Siegrist
Kris Bremer	Daniel Garcia	James Newton	Vin Smith
Lynda Bringle	Eddie Garcia	Terry O'Dell	Bob Srednicki
Heath Brundage	Juan Carlos Garcia	Steve Ogden	Sandy Stephenson
Robert Burchett	Mark Garcia	Chomi Oropeza	Dennis Stone
Elaine Carey	Ralph A. Garcia	Allen Palka	Frank Story
Harry Carey	Roger George	Carliss Parks	Rick Story
Mike Carey	Dave Gerstenkorn	Jeff Partington	Alex Tejada
Vince Casas	Edward Giesler	Don Paxson**	Lynne Tejada
Walter Cashwell	Tomas Gonzalez	Catherine Peace	Hugo Valdes
Dan Cassel	Thomas Grassi	Matthew Pearce	Bryan Veliz
Manuel Castillo	Suzanne Greager	Desi Perez	Mary Vidal
Pat Cates	Sabrina Hall	Susan Pinder	Chuck Vinson
Juan Cavanon	Susan Ham	Jack Pins	Peggy Walls*
Jason Cohen	Kevin Hawthorne	Albert Pita	Charles Walterson
Michael Commander*	Vicki Hawthorne	Jerry Pita	Stefan Washington
David Cottar	Osbaldo Hernandez, Jr.	Susy Pita	Chuck Weitzel
Catherine Courtney	Timothy Hertzog	Susana Plowman	Jack Wetzler
Kevin Crockett	Perry Hill	Eva Pope	Bobby Wickes
Eric Cubria	Carl Jansen	Letisia Powell	Bruce Woodard
Fred Culpepper	Suki Karash	David Price	Donnie Yarbrough
John Curry	Johnny Kerr	Maria Ramas	

* Employees of the Quarter in 2002

** Employee of the Year 2002