

Harrison REMC

Your Touchstone Energy[®]
Cooperative 

June 2, 2009

Mr. Brad Borum
Director, Electricity Division
Indiana Utility Regulatory Commission
National City Center
101 W. Washington St. Suite 1500 E.
Indianapolis, IN 46204-3407

Dear Mr. Borum:

Harrison REMC requests use of the IURC's 30-day filing procedure to update Appendix A- Wholesale Power Cost Tracker applicable to our consumption based retail tariffs. This request is being made because Hoosier Energy, the all-requirements wholesale power supplier of Harrison REMC, has updated the Power Cost Tracker and will have a wholesale rate increase, which effectively changes the wholesale power costs for Harrison REMC.

Enclosed is a copy of Hoosier Energy's Power Cost Tracker. This shows that the tracker applicable to Hoosier members for July usage in 2009 will be \$.012190 per kWh. Also enclosed is a copy of Hoosier's wholesale increase and an excel spreadsheet that indicates this change would increase the Harrison REMC power bill by \$.001587. Additionally, the Hoosier tracker and wholesale increase will increase the REMC's gross receipts tax (exhibit A) by \$.000080 per kWh.

The combination of Hoosier's tracker and wholesale rate increase, and the gross receipts tax adjustment would result in a power cost tracker of \$.013857 (\$.012190 + \$.001587 + .000080). Incorporating line losses of approximately 3.49% (5 year average), Harrison REMC's corresponding charge to members is \$.014357.

Hoosier will begin billing the revised Power Cost Tracker with August 1, 2009 member bills, for consumption beginning July 1, 2009. Harrison REMC proposes to use the same schedule for billing retail customers.

Please contact me if you have any questions.

Sincerely,

David C. Lett
CEO

cc: Tyler Bolinger, Electric Director, OUCC

Enclosures:

- Appendix – FC
- Appendix – A
- Exhibit – A
- Line Loss Calculation
- Hoosier - Tracker Adjustment
- Hoosier - General Adjustment Data
- Hoosier - Cost of Service Information

Appendix FC

FUEL COST CHARGE REPORT
Non-generating Electric Utilities – Purchasing From One Supplier
With Line Losses Justified

Date: May 15, 2009

Name of Utility Harrison REMC
Consumption Months July – September 2009
Billing Months August – October 2009
Supplier Hoosier Energy

(1) Fuel Cost Charge	(See Exhibit A)	<u>\$0.013857</u>
(2) Deduct Base Cost of Fuel		<u>\$0.000000</u>
(3) Difference		<u>\$0.013857</u>
(4) One minus decimal fraction of average line loss for last 5 calendar years		<u>0.965148</u>
(5) Final Fuel Cost Factor #3 divided by #4		<u>\$0.014357 per kWh</u>

This fuel cost charge factor must be approved by the Indiana Utility Regulatory Commission prior to the consumption period to which it will be applied.

Filing Number _____-_____-_____

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June 4, 2009

Indiana Utility Regulatory Commission

IURC 30-Day Filing No. 2565

DATE OF ISSUE: _____
DATE EFFECTIVE: _____
ISSUED BY: David C. Lett, CEO
HCREMC Corydon, Indiana
IURC No.: 11
Page: 1

APPENDIX A
RATE ADJUSTMENTS

RATE ADJUSTMENT

The Rate Adjustment in rates R, TOU, LCP, SC, SC-3P, UBS, IPS, and IPSII shall be on the basis of a Purchased Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power.

-----Rate Adjustment applicable to the
-----Above listed Rate Schedule-----\$.014357 per kWh used per month.

FUEL COST ADJUSTMENT

The fuel cost adjustment in dollars per kWh shall be the same as that most recently billed to Harrison REMC by its purchased power supplier, divided by one (1.0) minus the total energy losses of the utility for the preceding calendar year expressed as a decimal fraction of the total energy purchased for the same year.

Exhibit A

<u>Item</u>	<u>Description</u>	
A.	Hoosier Tracker July 1 Usage	\$0.012190
B.	Hoosier Rate Increase Jan 1 Usage	<u>\$0.001587</u>
C.	Total	\$0.013777
D.	Hoosier Tracker Dec 1 Usage	<u>-\$0.008030</u>
E.	Total	\$0.005747
F.	April 2008 - March 2009 kWh Purchases	544,627,208
G.	Additional Tracker \$\$\$ (Item E. X Item F.)	\$3,129,973
H.	Additional Gross Receipts Tax \$\$\$ (Item G. X <input type="text" value="1.40%"/> Gross Receipts Tax)	\$43,820
I.	Gross Receipts Factor (Item H. / Item F.)	\$0.000080
J.	Total Tracker without Line Loss Adjustment (Item C. + Item I.)	\$0.013857
K.	Line Loss 5 year Average	0.034852
L.	Total Tracker with Line Loss Adjustment (1 - Item K / Item J)	\$0.014357

	Purchased Kwh	Sold Kwh	Office Kwh	Line Loss
2008	556,984,111	536,781,328	464,805	0.035437
2007	562,839,708	545,294,083	469,131	0.030340
2006	525,779,634	511,364,473	403,162	0.026650
2005	549,929,055	528,261,866	442,318	0.038596
2004	550,022,911	525,943,726	442,489	0.042974
Total	2,745,555,419	2,647,645,476	2,221,905	0.034852

3.49%

0.9651

**Harrison REMC
Power Tracker Increase
Due to Hoosier Rate Increase**

Harrison REMC
Billing Data for Test Year - 12 Months Ending 3/31/2009

Standard	Energy				Current Tariffs				January 1, 2009 Tariffs				
	MWh	Demand			Energy	Demand Charge			Energy	Demand Charge			
		\$0.03268	Prod.	Trans	Subs	\$6.50	\$3.37	\$1.24	\$0.03357	\$6.67	\$3.46	\$1.27	
Jan-09	54,258	129,280	133,987	133,987	\$ 1,773,151	\$ 840,320	\$ 451,536	\$ 166,144	\$ 1,821,441	\$ 862,298	\$ 463,595	\$ 170,163	
Feb-09	43,092	120,253	124,471	124,471	\$ 1,408,247	\$ 781,645	\$ 419,467	\$ 154,344	\$ 1,446,596	\$ 802,088	\$ 430,670	\$ 158,078	
Mar-09	37,331	106,027	110,476	110,476	\$ 1,219,977	\$ 689,176	\$ 372,304	\$ 136,990	\$ 1,253,202	\$ 707,200	\$ 382,247	\$ 140,305	
Apr-08	32,197	60,079	82,145	82,145	\$ 1,052,198	\$ 390,514	\$ 276,829	\$ 101,860	\$ 1,080,853	\$ 400,727	\$ 284,222	\$ 104,324	
May-08	30,356	66,484	70,299	70,299	\$ 992,034	\$ 432,146	\$ 236,908	\$ 87,171	\$ 1,019,051	\$ 443,448	\$ 243,235	\$ 89,280	
Jun-08	39,073	88,104	95,368	95,368	\$ 1,276,906	\$ 572,676	\$ 321,390	\$ 118,256	\$ 1,311,681	\$ 587,654	\$ 329,973	\$ 121,117	
Jul-08	42,305	93,857	99,062	99,062	\$ 1,382,527	\$ 610,071	\$ 333,839	\$ 122,837	\$ 1,420,179	\$ 626,026	\$ 342,755	\$ 125,809	
Aug-08	40,883	86,091	94,586	94,586	\$ 1,336,056	\$ 559,592	\$ 318,755	\$ 117,287	\$ 1,372,442	\$ 574,227	\$ 327,268	\$ 120,124	
Sep-08	32,086	90,408	97,290	97,290	\$ 1,048,570	\$ 587,652	\$ 327,867	\$ 120,640	\$ 1,077,127	\$ 603,021	\$ 336,623	\$ 123,558	
Oct-08	31,640	66,823	78,499	78,499	\$ 1,033,995	\$ 434,350	\$ 264,542	\$ 97,339	\$ 1,062,155	\$ 445,709	\$ 271,607	\$ 99,694	
Nov-08	39,561	85,231	94,345	94,345	\$ 1,292,853	\$ 554,002	\$ 317,943	\$ 116,988	\$ 1,328,063	\$ 568,491	\$ 326,434	\$ 119,818	
Dec-08	52,105	115,129	122,976	122,976	\$ 1,702,791	\$ 748,339	\$ 414,429	\$ 152,490	\$ 1,749,165	\$ 767,910	\$ 425,497	\$ 156,180	
Total - Std.	474,887	1,107,766	1,203,504	1,203,504	\$ 15,519,307	\$ 7,200,479	\$ 4,055,808	\$ 1,492,345	\$ 15,941,957	\$ 7,388,799	\$ 4,164,124	\$ 1,528,450	
								\$ 28,267,940					\$ 29,023,330
								\$ 0.059526					\$ 0.061116
					\$0.03268		\$8.94		\$0.03357		\$9.33		
IPT													
Caesars	37,579		61,536		\$ 1,228,082		\$ 550,132		\$ 1,261,527		\$ 574,131		\$ 3,458,451
Daramic	17,277		28,088		\$ 564,612		\$ 251,107		\$ 579,989		\$ 262,061		\$ 0.049593
Icon	9,864		20,787		\$ 322,356		\$ 185,836		\$ 331,134		\$ 193,943		
Wal-Mart	5,017		9,351		\$ 163,956		\$ 83,598		\$ 168,421		\$ 87,245		
Total - IPT	69,737		119,762		\$ 2,279,005		\$ 1,070,672		\$ 2,341,071		\$ 1,117,379		\$ 3,458,451
								\$ 3,349,677					\$ 0.049593
								\$ 0.048033					
TOTAL	544,624							\$ 31,617,617					\$ 32,481,780
								\$ 0.058054					\$ 0.059641
													\$ 0.001587
													Increase

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IURC 30-Day Filing No. 2565

Hoosier Energy REC, Inc.
Power Cost Tracker
Effective July 1, 2009 - September 30, 2009
(\$ in thousands)

	Environmental Compliance Costs	MISO Transmission Costs	Variable Production Costs	Total Projected Costs	Energy Sales (MWh)	Projected Costs per MWh
July - December 2009	\$ 2,179	\$ 6,309	\$ 117,580	\$ 126,068	3,533,003	\$ 35.68
January - June 2010	\$ 1,496	\$ 6,437	\$ 129,053	\$ 136,985	3,448,171	\$ 39.73
Total	\$ 3,675	\$ 12,746	\$ 246,632	\$ 263,053	6,981,174	
Projected Cost per MWh	\$ 0.53	\$ 1.83	\$ 35.33	\$ 37.68		
Base Cost per MWh	\$ 0.18	\$ 1.60	\$ 26.44	\$ 28.22		
Power Cost Tracker before reconciliation adjustment per MWh	\$ 0.35	\$ 0.23	\$ 8.89	\$ 9.46		
Reconciliation Adjustment per MWh				\$ 0.73		
Power Cost Tracker before defeased lease transaction				\$ 10.19		
Dedicated to defeased lease transaction*				\$ 2.00		
Power Cost Tracker per MWh to be billed July 1, 2009 - September 30, 2009				<u>\$ 12.19</u>		

Environmental Compliance Costs include fixed operations, maintenance and capital costs for environmental assets placed in service and under construction (interest only for CWIP) less demand revenue received from non-members directly related to such costs.

MISO Transmission Costs include transmission service; regional market expenses; scheduling, system control and dispatching services; reliability planning and standards development services which are provided primarily by or through the MISO.

Variable Production Costs include purchase power, fuel, net costs of emission credits, and variable operations and maintenance costs at Hoosier Energy's generating facilities less energy revenue received from non-member sales.

Reconciliation Adjustment represents the under or (over) collected balance outstanding which will be recovered from or (returned to) members during the next 12-month period.

*Approved by the Board of Directors November 10, 2008.

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IURC 30-Day Filing No. 2565

Hoosier Energy Rate Adjustment

Marty Blake

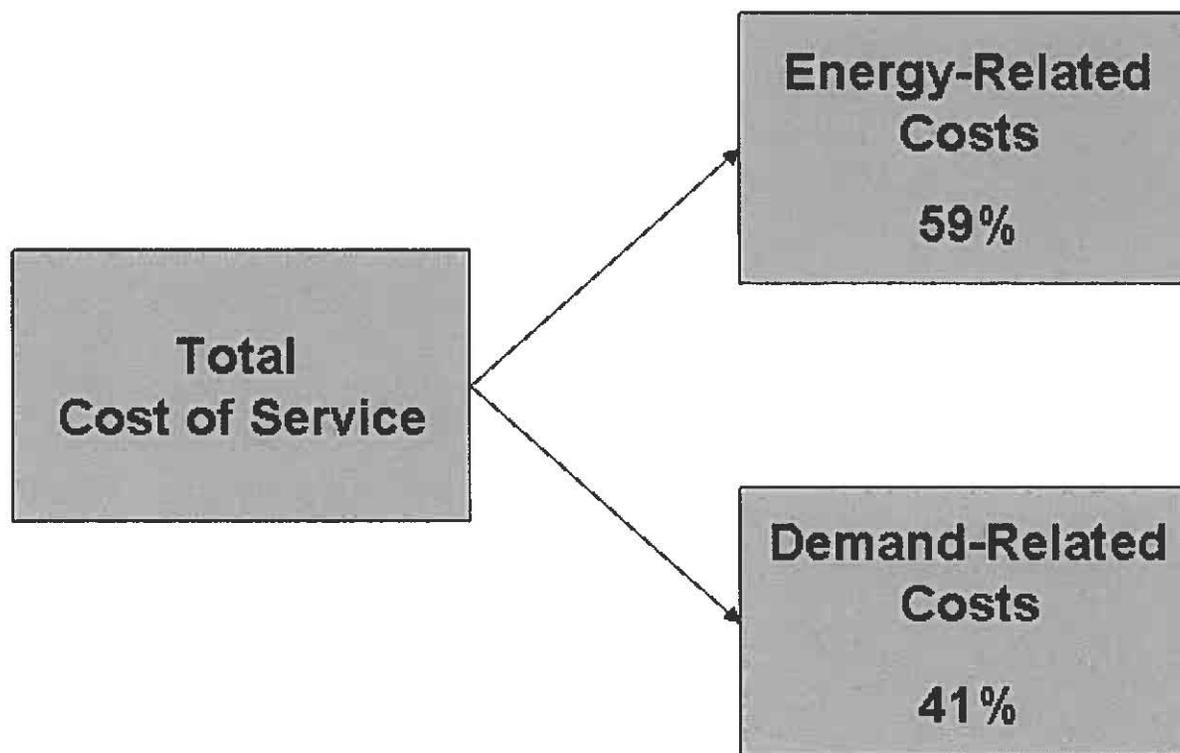
The Prime Group, LLC



Objectives

- Develop rates that provide an overall increase of 1.5 mils
- Spread the increase between the demand and energy charges based on the demand and energy cost relationships from Hoosier Energy's last cost of service study performed last year

Demand/Energy Cost Classification from Cost of Service Study



Key Rate Design Assumptions

- Both Member Rates and Industrial Power Tariff increased by 1.5 mils
- For the 1.5 mil increase, 59% is assigned to energy charge and 41% is assigned to demand charge, in accordance with last cost of service study
- Demand charge increase is assigned pro-rata to Production, Transmission and Substation & Radial demand components, in accordance with last cost of service study

Proposed Standard Member Rate

	Current	Proposed
Production Demand	\$6.50/kW	\$6.67/kW
Transmission Demand	\$3.37/kW	\$3.46/kW
Subst & Rad Demand	\$1.24/kW	\$1.27/kW
Energy	\$0.03268/kWh	\$0.03357/kWh

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Industrial Power Tariff

	Current	Proposed
Demand Charge (NCP)	\$8.94/kW	\$9.33/kW
Energy	\$0.03268/kWh	\$0.03357/kWh

No change in EDR demand charges

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IURC 30-Day Filing No. 2565

Interruptible Power Tariff

	Current	Proposed
Firm Demand	\$8.94/kW	\$9.33/kW
Interruptible Demand	\$6.54/kW	\$6.93/kW
Energy	\$0.03268/kWh	\$0.03357/kWh

Amount of Interruption: 12 Interruptions per calendar year

Interruptible Power Tariff No. 2

	Current	Proposed
Firm Demand	\$8.94/kW	\$9.33/kW
Interruptible Demand	\$6.54/kW	\$5.33/kW
Energy	\$0.03268/kWh	\$0.03357/kWh

Amount of Interruption: 500 hours per 12-month period



AFFIDAVIT OF PUBLICATION AND MAILING

I, Kane Neese, an employee of **Print Communications Inc.**, the printer of the *Electric Consumer*, a trade publication of the members of the Harrison County Rural Electric Membership Corporation (know as REMC), being duly sworn upon my oath say that on the 27th day of May, 2009, a certain notice, a copy of which is marked "Exhibit A" attached hereto and made a part hereof as though fully set out herein, was published as a part of the *Electric Consumer* and mailed by ordinary United States mail to all those members of said REMC as certified by Harrison County REMC, as members on said date.

Further, attached as "Exhibit B" is a copy of the publication that contained the notice as set out in "Exhibit A" and as mailed to those members whose names were certified by the REMC as members of the record of the REMC.

A handwritten signature in cursive script that reads "Kane Neese".

Kane M. Neese

Print Communications, Inc.
Indianapolis, Indiana

SS:
County of Putnam

Before me the undersigned, a Notary Public for Putnam County, State of Indiana, personally appeared Kane Neese and acknowledged the execution of this instrument this 28 day of May, 2009.

A handwritten signature in cursive script that reads "Sheryl Hoffma".
NOTARY PUBLIC

(SEAL)

My Commission expires: 3-23-16
Comm # 582965

REMC RATE SCHEDULE

Residential and Farm Service Rate

EXAMPLE FOR 1,800 KWHS

Facility charge	\$15.00
First 750 kwhs @ .08415/kwh	63.11
Next 750 kwhs @ .06820/kwh	51.15
Over 1500 kwhs @ \$.05906/kwh	17.72
Power cost tracker 0.011393 per kwh	20.50
SUB-TOTAL.....	\$167.48
Indiana sales tax (7%)	11.72
TOTAL BILL.....	\$179.20

SECURITY LIGHT RATES

175-watt mercury vapor	\$8/month
400-watt mercury vapor	\$15/month
175-watt M.V. decorative	\$20/month
400-watt M.V. decorative	\$25/month

Exhibit NOTICE

Notice is hereby given that on June 10, Harrison Rural Electric Membership Corporation will file before the Indiana Utility Regulatory Commission (IURC) a request for approval of the application of the Wholesale Power Cost Tracking procedures established by the Indiana Utility Regulatory Commission in Cause No. 34614.

This request is being made by reason of a change in Hoosier Energy, Inc.'s wholesale rates to its member Rural Electric Membership Corporations (REMC). This change in rates will be passed through to its member systems' retail rates via the wholesale power cost tracking procedure.

This action will result in an increase in the wholesale power cost tracker included in the rates charged by Harrison REMC and will affect the consumers of Harrison REMC receiving service pursuant to the schedule of tariffs set forth in Appendix A on file at the IURC. The increase is expected to be \$0.002964 per kwh (\$2.96 per 1,000 kwh).

This filing is expected to be approved by the IURC by July 10, 2009. If approved, the change would take effect for bills to be rendered beginning with the August 2009 billing cycles.

Any objections to this filing should be in written form and directed to either the Indiana Utility Regulatory Commission (IURC), ATTN: Brenda Howe, 101 W. Washington St., Suite 1500E, Indianapolis, IN 46204 or the Indiana Office of Utility Consumer Counselor, National City Center, 115 W. Washington St., Suite 1500 South, Indianapolis, IN 46204.



Touchstone Energy®

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June 4, 2009

Indiana Utility Regulatory Commission

REMC chartered bus trip

IURC 86 Day Filing No. 2565

With gas prices on the rise, sit back, relax and leave the driving to us. Join Harrison REMC on these unique chartered bus trips.

Spring Swing through Southern Indiana, June 3

Due to a scheduling conflict, this trip has been changed to June 3. Tour the Monastery Immaculate Conception (Castle on the Hill), the Indiana Baseball Hall of Fame and the Kapp Winery—all in the same day. Lunch at the Schnitzelbank!

Price: \$28, covers bus and admission fees. 8 a.m.-6 p.m.

Creation Museum, Aug. 19

The Creation Museum is a 50,000 square foot walk through the Bible, with a botanical garden and restaurants. We will stop for breakfast.

Price: \$45, covers bus and admission fees. 7 a.m.-6 p.m.

Opry Mills Mall, Nov. 18

Enjoy a day of shopping sights nearby. The Ice Sh is within walking distance to the Opry Mills Hotel. We stop for lunch on the way down so you have to go. Price: \$30. 7 a.m.-9 p.m.

REMC bus trip policies

A minimum of 30 pre-registered passengers are required to take each trip. Reservations are due 14 days in advance and cancellations will be made.

Passenger pickup will be at the church in Corydon, KY, off the Georgetown Exit.

Call 738-4115 or 951-5115 for more information and for seat reservations.

Discount Theme Park Tickets

Holiday World - Kings Island - Louisville Zoo - Newport Aquarium - Kentucky Kingdom

HOLIDAY WORLD	REMC PRICE	GATE PRICE	LOUISVILLE ZOO	REMC PRICE
Adult	\$34.00	\$39.95	Adult	\$22.00
Child Under 54" Tall	\$29.00	\$29.95	Child (Ages 3-11)	\$11.50
Senior (Age 60+)	\$29.00	\$29.95		
Adult (2-day admission)	\$54.00	\$59.95	DINOSAUR WORLD	
Child (2-day admission)	\$48.00	\$49.95	Adult	\$22.00
<small>(These ticket prices are for anyone 3 years of age and older.)</small>				
			Child (Ages 3-12)	\$11.50
			Senior (Age 60+)	\$11.50
			CINCINNATI ZOO	
SIX FLAGS KENTUCKY KINGDOM			Adult	\$22.00
Adult	\$19.00	\$29.99	Child	\$11.50
Child (under 48")	\$19.00	\$29.99		
Anyone over 48" must purchase an adult ticket			INDIANA BEACH	
Children 3 and under are FREE			Adult	\$22.00
			Child	\$11.50
KINGS ISLAND				
Adult	\$22.00	\$47.99		
Child (age 3 and up, under 48")	\$22.00	\$31.99		
Senior age 62 +	\$22.00	\$31.99		
Children 3 and under are FREE				
NEWPORT AQUARIUM				
Adult	\$18.50	\$20.00		
Child (Ages 3-12)	\$11.50	\$13.00		
Children 2 and under are FREE				

Stop by the office on Old Ft. Harrison to purchase your tickets to 4115 or 812-951-2323 for more information.



EMC

Electric Consumer

June 2009

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The past, present and future of

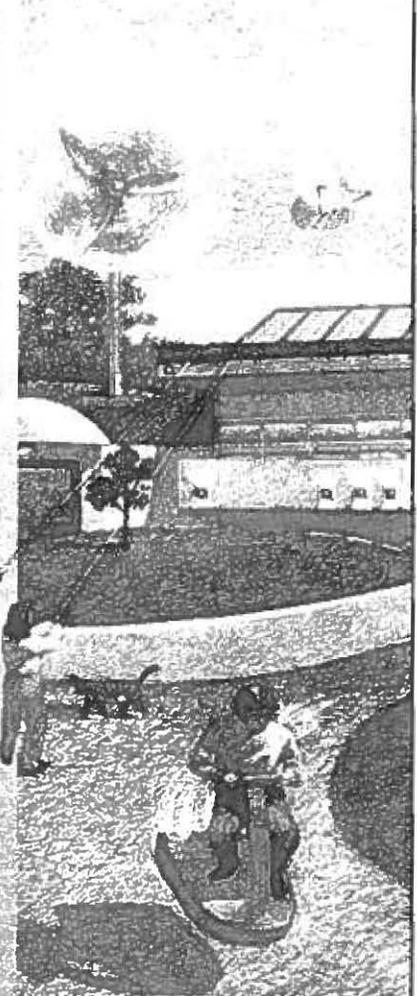
ENERGY efficiency



1909



2009



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