



Jackson County Rural Electric Membership Corporation

P.O. Box K
Brownstown, IN 47220-0311
(812) 358-4458 Telephone
(800) 288-4458 Toll Free
(812) 358-5719 Fax

RECEIVED ON: MARCH 5, 2010
IURC 30-DAY FILING NO.: 2673
Indiana Utility Regulatory Commission

March 4, 2010

Secretary of the Commission
Indiana Utility Regulatory Commission
Electricity Division
101 West Washington Street
Suite 1500 East
Indianapolis, IN 46204-3407

Process through the IURC 30-Day Filing Procedure

RE: Filing for a change in the purchased power cost adjustment factor and the fuel adjustment factor

Dear Mr. Borum:

On April 1, 2010, Hoosier Energy will implement the two-stage wholesale power rate as described in the April 1, 2010 Standard Wholesale Tariff. The first stage is the transitional period that includes the months of April and May in which Hoosier Energy will bill a decrease of \$0.00614 per kWh for the wholesale power rate to Jackson County REMC. The second stage will start June 1, 2010, in which Hoosier Energy will start billing an on going increase of \$0.001684 per kWh in lieu of the \$0.00614 decrease for the wholesale power rate to Jackson County REMC.

As part April 1, 2010 Standard Wholesale Tariff, Hoosier Energy is rolling \$0.01090 per kWh out of its tracker into the new base rate. At the same time, Hoosier Energy is rolling its recovery of an "Uncollected Power Cost" (UPC) obligation out of the base rates. This recovery will be completed in April and May and has been included in this filing also.

On April 1, 2010, Hoosier Energy will also start billing a decrease in the wholesale power cost tracker of (\$0.002250) per kWh to Jackson County REMC, as shown on the enclosed Hoosier Energy REC, Inc. Power Cost Tracker. Accordingly, Jackson County REMC would like to set its purchased power fuel cost adjustment to (\$ 0.002371) per kWh effective for April 1, 2010.

Our enclosed proposed changes to our purchased power cost adjustment together with the accompanying change to our fuel adjustment should properly track Hoosier Energy's wholesale rate change through to Jackson County REMC's retail rates.

Yours truly,

Mark A. McKinney
Project Manager



Enclosures:

Purchased Power Cost Adjustment Factor

Schedule B-1 Verified Statement (effective April 1, 2010)
Schedule B-2 Computation of Tracking Factor (and supportive documents)
Jackson County REMC's Unrecovered Power Cost Balance (February 11, 2010)
Hoosier's Unrecovered Power Cost Methodology (effective December 1, 2009)
Revised Appendix "A" for tracking factor (effective April 1, 2010)
Schedule B-1 Verified Statement (effective June 1, 2010)
Schedule B-2 Computation of Tracking Factor (and supportive documents)
Revised Appendix "A" for tracking factor (effective June 1, 2010)
Hoosier's Standard Wholesale Tariff (effective January 1, 2009)
Hoosier Energy Appendix PC (effective January 1, 2009)
Hoosier's Standard Wholesale Tariff (effective April 1, 2010)
Hoosier Energy Appendix PC (effective April 1, 2010)

Fuel Adjustment Factor

Verified Application and Affidavit for Change in Fuel Cost Adjustment
Hoosier Energy REC, Inc. Power Cost Tracker (Exhibit "A")
Appendix "FC" Fuel Cost Charge Report
Energy Loss Analysis for Calendar Year 2009

Verified Statement of Customer Notifications

Legal Notice Cover Letter
Legal Notice (Purchased power cost adjustment factor)
Legal Notice (Fuel adjustment factor)
News Letter Announcement

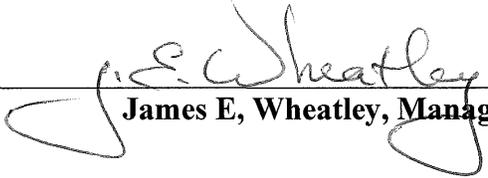
cc: Office of the Utility Consumer Counselor (OUCC)

VERIFIED STATEMENT IN SUPPORT OF CHANGE IN SCHEDULE OF RATES

TO THE INDIANA UTILITY REGULATORY COMMISSION:

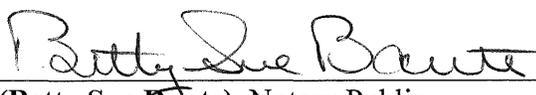
1. Jackson County Rural Electric Membership Corporation, P.O. Box K, Brownstown, IN, under and pursuant to the Indiana Utility Regulatory Commission Act, as amended, and Commission Order in Cause No. 34614, hereby files with the Indiana Utility Regulatory Commission for its approval, an increase in its schedule of rates for electricity sold in the amount of \$.022842 per kilowatt hour (KWH) effective April 1, 2010.
2. The accompanying changes in schedules of rates are based solely upon the change in the cost of purchased power, purchased by this utility computed in accordance with the Indiana Utility Regulatory Commission Order in Cause No. 34614 dated December 17, 1976.
3. All of the matters and facts stated herein and in the attached exhibits are true and correct. If approved, this change of rate shall take effect for the next particle consumption period following the date of such approval.

Jackson County Rural Electric Membership Corporation

By: 
James E, Wheatley, Manager

STATE OF INDIANA)
)
COUNTY OF JACKSON)

Personally appeared before me, a Notary Public in and for said county and state, this **4th day of March, 2010**, James E. Wheatley, who, after having been duly sworn according to law, stated that he is the Manager of Jackson County Rural Electric Membership Corporation; that he has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that he is duly authorized to execute this instrument for and on behalf of the applicant herein.


(Betty Sue Baute) Notary Public

County of residence: **Jackson**

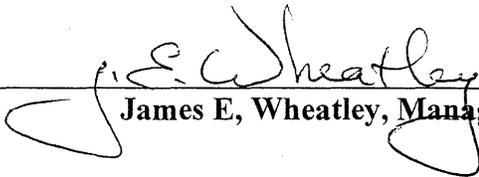
My commission expires: **November 10, 2014**

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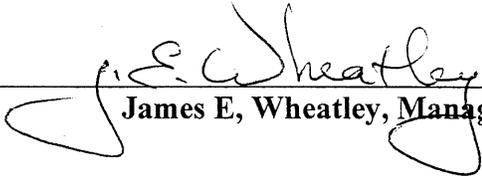
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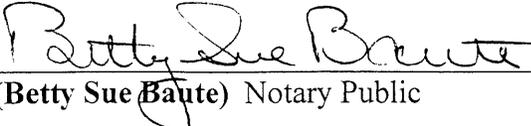
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Jackson County REMC Seeks Rate Changes

Jackson County REMC has asked the Indiana Utility Regulatory Commission (IURC) to authorize multiple changes to its electric rates in three separate filings. The first two involve tracking the continually shifting cost of wholesale electricity. A third filing asks the IURC to examine and adjust the revenues needed for REMC's own operating costs.

The first two filings that track wholesale electric costs combine for a net impact on retail rates of \$1.02 per 1,000 kWh effective June 1, first affecting the customer bills to be mailed July 30. A current bill for 1,000 kWh of \$102.98 would become \$104.00, an increase of 1.0 percent.

Prior to June 1, the filings would temporarily decrease retail rates by \$6.78 per 1,000 kWh during a two-month transition period beginning April 1. This lower rate would show on customer bills to be mailed May 28 and June 30.

Jackson County REMC serves its 24,200 member/owners in rural sections of Jackson, Washington, Jennings, Scott, Lawrence, Brown, Bartholomew, Monroe, Jefferson, and Clark Counties. Its headquarters is in Brownstown. Any inquiry should be directed to Jed Wheatley, General Manager, Jackson County REMC, PO Box K, Brownstown, IN, 47220, phone (812) 358-4458.

Computation of Tracking Factor - Schedule B-2

3/4/2010

(Per Hoosier's April 1, 2010 Implementation Period for April 2010 and May 2010 Only)

1. Cost of purchases 2 months ending May 2009 (Transitional Rates)	\$ 4,125,572.70
2. Cost of purchases 2 months ending May 2009 (January 2009 Rates)	\$ 4,503,004.78
3. Change in Purchased Power Cost: (1) - (2)	\$ (377,432.08)
4. Change in Utility Receipts Taxes (1.40% * (3)	\$ (5,284.05)
5. Change in Revenue Requirements: (3) + (4)	\$ (382,716.13)
6. Total Metered KWH Sales: Test Year (2 months ending May 2009)	62,596,319
7. Base rate roll-in: (5) / (6)	\$ (0.006114)
8. Fuel Clause Revenue (corresponding to line 2 fuel costs)	\$ 719,118.76
9. Fuel Roll-in: (8) / (6)	\$ 0.011488
9.1 Roll-in of fuel clause base offset: (14) / (1- line losses)	\$ -
Current line loss factor: 94.88%	
10. Tracking factor total roll-in: (7) + (9) + (9.1)	\$ 0.005374
Revised Fuel Clause Base:	
11. Fuel clause charges (new rates)	\$ -
12. Total KWH purchased (2 months end May 2009)	63,982,118
13. Revised fuel clause base: (11) / (12)	\$ -
14. Offset to bring revised base to zero	\$ -

Impact on Jackson County REMC's January 2009 Appendix "A"

a.) Tracking Factor for January 2009 Rates	\$ 0.017468
b.) Increase of Tracking Factor for Transition Months April and May 2010 (10)	\$ 0.005374
c.) Tracking Factor for Transition Months of April and May 2010 (a) + (b)	\$ 0.022842

To be effective 04/01/2010 through 05/31/2010

Test Year cost of power at current January 1, 2009 rates

3/4/2010

Month / Year	Total kWh Purchased	Metered 60-Min Clock Hour (CP) kW	Metered 30-Min Rolling (NCP) kW	Billed Power Factor Adj. 30-Min Rolling (NCP) kW	Production kW Charges (CP) \$	Transmission Charges (NCP) \$	Substation and Radial kW Charges (NCP) \$	Energy Charge (kWh) \$	Tracker Charge (kWh) \$	Hoosier Misc. Billing Adj. (\$)	Total Bill (\$)
				95.00%	\$6.67	\$3.46	\$1.27	\$0.033570	\$0.010900	100%	
May 2009	30,327,915	61,442	69,913	70,057	\$ 409,818.14	\$ 242,397.22	\$ 88,972.39	\$ 1,018,108.11	\$ 330,574.27	-	\$ 2,089,870.13
April 2009	33,654,203	74,934	88,479	88,598	499,809.78	306,549.08	112,519.46	1,129,771.59	366,830.81	(2,346.08)	2,413,134.65
2 months ending May 2009	63,982,118	136,376	158,392	158,655	\$ 909,627.92	\$ 548,946.30	\$ 201,491.85	\$ 2,147,879.70	\$ 697,405.09	\$ (2,346.08)	\$ 4,503,004.78
											\$0.070379 Per kWh

Test Year cost of power at April 1, 2010 Implementation Period (pro-forma)

Month / Year	Calculated On-Peak kWh Purchased	Off-Peak kWh Purchased	Total kWh Purchased	Metered 60-Min Clock Hour (CP) kW	Shoulder Months Actual Billed 60-Min Clock Hour (CP) kW	Metered 30-Min Block (NCP) kW	Actual Production kW Demand (CP) Charge (\$)	Transmission Charges (CP) \$	Substation and Radial kW Charges (NCP) \$	On-Peak Energy Charge (kWh) \$	Off-Peak Energy Charge (kWh) \$	Continued ==>
							\$6.80	\$3.58	\$1.80	\$0.065000	\$0.034000	
May 2009	0	30,327,915	30,327,915	61,442	61,442	69,905	\$ 417,805.60	\$ 219,962.36	\$ 125,829.00	\$ -	\$ 1,031,149.11	
April 2009	0	33,654,203	33,654,203	74,934	74,934	88,071	509,551.20	268,263.72	158,527.80	-	1,144,242.90	
2 months ending May 2009	0	63,982,118	63,982,118	136,376	136,376	157,976	\$ 927,356.80	\$ 488,226.08	\$ 284,356.80	\$ -	\$ 2,175,392.01	

Continuation of Test Year cost of power at April 1, 2010 Implementation Period (pro-forma)

Factored Hoosier Misc. Billing Adj. (\$)	Base Rate Bill (\$)	April 2010 and May 2010 Unrecovered Power Cost (\$)	Total Bill (\$)
38.055%			
\$ -	\$ 1,794,746.07		
(892.80)	2,079,692.82		
\$ (892.80)	\$ 3,874,438.89	\$ 251,133.81	\$ 4,125,572.70
			\$0.064480 Per kWh
			(\$0.005899) Decrease Per kWh

Calculation of currently tracked wholesale expenses being rolled into new wholesale base tariff

3/4/2010

Energy cost base for new wholesale tariff:	\$	0.036050
Energy cost base for existing wholesale tariff:	\$	0.028220
Energy cost base increase:	\$	<u>0.007830</u>
Holland costs being rolled out of wholesale tracker into new wholesale base tariff:	\$	<u>0.003070</u>
Total existing tracker charges being rolled into new wholesale base tariff:	\$	0.010900
Line loss adjustment factor for 2010 fuel adjustments calculations:		0.9488
Retail fuel adjustments corresponding to the rolled-in wholesale tracker charges:	\$	0.011488

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HOOSIER ENERGY

RURAL ELECTRIC COOPERATIVE, INC.

A Touchstone Energy® Cooperative 

November 18, 2009

Mr. Jed Wheatley
Jackson County REMC
P. O. Box K
Brownstown, IN 47220

Dear Jed:

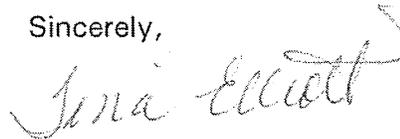
Per your request, the quarterly and average annual rates (\$/MWh) for 2009 for the Holland fixed cost portion of Hoosier Energy's tracker rates are listed below. Holland fixed costs will be rolled into base rates effective April 1, 2010.

1 st Quarter, 2009	\$3.02
2 nd Quarter, 2009	\$3.16
3 rd Quarter, 2009	\$3.03
4 th Quarter, 2009	\$3.08

2009 Weighted Annual Average \$3.07

Please feel free to contact me if you require further details.

Sincerely,



Tina Elliott
Senior Accountant & Process Analyst

HOOSIERENERGY
 RURAL ELECTRIC COOPERATIVE, INC.

Unrecovered Power Costs (UPC)

JACKSON COUNTY REMC

Starting balance: \$5,368,102.00

Month	Energy (kWh)	UPC DOLLARS APPLIED ENERGY PORTION \$0.002/kWh	BILLED PRODUCTION DEMAND (CP) (KW)	UPC DOLLARS APPLIED DEMAND PORTION \$0.47/kW	TOTAL UPC DOLLARS APPLIED	UPC BALANCE (1)
						\$ 1,002,966.18
November 30, 2009	38,750,088	\$ 77,500.18	79,937	\$ 37,570.39	115,070.57	\$ 887,895.61
December 31, 2009	55,889,176	\$ 111,778.35	107,429	\$ 50,491.63	162,269.98	\$ 725,625.63
January 31, 2010	62,266,964	\$ 124,533.93	120,417	\$ 56,595.99	181,129.92	\$ 544,495.71

↑
 Jackson's UPC obligation as of 1/31/2010

(1) Balance is based upon corrected applied credits as of 10/31/09

**Jackson County REMC
 Wholesale Power Bills**

Month	KWH	Billed KW CP Demand	KW System Peak	Billed KW NCP Demand	PF Adj./ Econ.Dev./ Misc.	Total Bill	Average per KWH	Includes Tracker	Unrecovered Power Cost Balance
Jan '09	63,765,337	142,890.0	142,890.0	145,110.0		4,318,866.07	0.06773	0.00845	2,224,830.57 1-Jan-09
Feb '09	48,013,938	134,516.0	134,518.0	136,239.0		3,559,177.87	0.07413	0.00845	2,030,141.60
Mar '09	39,753,925	116,178.0	116,186.0	120,384.0		3,014,783.50	0.07584	0.00845	1,870,891.20
Apr '09	33,654,203	74,934.0	80,286.0	88,598.0	562.87	2,362,316.79	0.07019	0.00939	1,736,779.69
May '09	30,327,915	61,442.0	65,999.0	70,057.0	681.12	2,044,075.01	0.06740	0.00939	1,634,252.31
Jun '09	38,191,774	91,744.0	91,956.0	94,661.0		2,700,397.63	0.07071	0.00939	1,544,718.74 Hoosier figures 1,544,718.73
Jul '09	36,473,271	75,356.0	76,426.0	85,345.0		2,575,323.24	0.07061	0.01219	1,425,215.50
Aug '09	39,105,696	87,626.0	90,077.0	94,919.0	(7,955.86)	2,814,953.07	0.07198	0.01219	1,316,851.64
Sep '09	31,085,189	64,928.0	64,928.0	69,914.0	160.82	2,186,221.24	0.07033	0.01219	1,197,456.03
Oct '09	34,452,597	69,517.0	74,035.0	80,665.0	(6,300.36)	2,399,224.81	0.06964	0.01172	1,104,769.49
Nov '09	38,750,088	79,937.0	80,819.0	87,127.0		2,700,281.96	0.06968	0.01172	1,003,191.31 1,002,966.18
Dec '09	55,889,176	107,429.0	109,405.0	116,517.0		3,798,897.60	0.06797	0.01172	887,895.61
All 2009	489,463,109	1,106,497.0	1,127,525.0	1,189,536.0	(12,851.41)	34,474,518.79	0.07043		725,625.63
Jan '10	62,266,964	120,417.0	121,103.0	126,678.0		4,069,262.38	0.06535	0.00926	544,495.71 544,495.71
Feb '10								0.00926	385,245.32
Mar '10								0.00926	251,133.81
Apr '10								(0.00225)	72,884.47
May '10								(0.00225)	0.00
Jun '10								(0.00225)	
Jul '10									
Aug '10									
Sep '10									
Oct '10									
Nov '10									
Dec '10									
All 2010	62,266,964	120,417.0	121,103.0	126,678.0	-	4,069,262.38	0.06535		

Projected UPC Monthly
 pay-down assuming 2009
 load data repeats in 2010

(159,250.40)
(134,111.51)
(178,249.34)
(72,884.47)

1-Jan-07	\$	5,368,102
1-Jan-08		3,809,662
1-Jan-09		2,224,831
1-Jan-10		725,626
Estimated 1-Apr-10		251,134
Estimated 1-Jun-10		0

Amount Included in the April - May Calculations

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UPC Methodology 12-01-09 Final.doc

Unrecovered Power Cost Methodology

December 1, 2009

I. Members Only website Unrecovered Cost Balance Sheet

- a. To provide member systems with detailed information concerning their monthly dollars applied toward the balance of the unrecovered power costs (UPC), a new balance sheet will be illustrated (see Exhibit 1).
- b. The balance sheet will be dynamic and cumulative illustrating each month as we move forward in time from October 31, 2009.

II. Unrecovered Power Cost “Balance Application Process” Beginning with November 2009 Billing

The Balance Application Process beginning with the November 2009 billing is as follows:

1. Based upon “billed coincident peak (CP) production demand” in the Standard Wholesale tariff (excluding IPT, EDR, and Interruptible loads), and “total energy sales”, Hoosier will calculate dollars to be applied to the unrecovered power costs balance by multiplying the billed CP by \$0.47 per kW and the total energy by 2 mills per kWh.
2. Beginning with the December 2009 billing invoice, the invoice will illustrate an itemization of both demand and energy UPC dollars as “Dollars Applied to Balance” and “Dollars Credited” (see Exhibit 2). Dollars being applied to the UPC balance, prior to the April, 2010 billing period are contained within base rates so the “Dollars Applied to Balance” line on the invoice will show \$0. “Dollars Credited” will remain at \$0 until the balance has been paid in-full.

Hoosier's notice
of how UPC will
be billed after
April 1, 2010



III. Unrecovered Power Cost “Balance Application Process” Beginning with the April 2010 Billing

If all member systems have not paid their UPC balances as of the April, 2010 billing, Hoosier Energy will continue to recover UPC dollars as defined by Board Resolution 46-2006 and referenced in Resolution 11-2009. Since no UPC costs were included in April 1, 2010 base rates, an additional 2 mills shall be applied directly to all energy for all tariffs and an additional demand charge of \$0.47 per kW will be applied to the production demand component (billed coincident peak demand), which is only in the Standard Wholesale Tariff.

The Balance Application Process will continue to follow the procedure described in Section II. The invoice will remain as described in Section II item 2, however the dollar amount itemized as “Dollars Applied to Balance” will be the UPC demand or energy charges.

If at any time Hoosier’s Power Cost Tracker (PCT) should generate a credit, the credit shall be applied toward any outstanding UPC balance per Board Resolution No. 38-2006. This will be accomplished by adding the absolute value of the PCT credit to the UPC energy charge of 2 mills per kWh and the total multiplied by the member’s energy sales. The PCT credit will flow through the billing process and will show as a negative tracker charge on the member’s bill. This will produce a zero net effect on the member’s power charges for the month.

IV. Unrecovered Power Cost “Balance Crediting Process” With Full Balance Paid

As stated in Board resolutions, after a member system pays their UPC balance in-full, they will continue to be billed and credited for the 2 mills per kWh on all tariffs and the \$0.47 per kW on the production demand component of the standard wholesale tariff.

1. In the month of pay-off, a special note on the member’s invoice will appear stating their UPC balance will be paid-off that month; a “Credit Memo” will be sent to them by the 10th day of the month (see Exhibit 3) along with a letter. The Credit Memo will itemize Energy and Production Demand dollars applied and credited, the outstanding UPC balance prior to that month’s applied dollars, as well as illustrate the “Net Credit”.
 2. As noted in Section II beginning with the December 2009 billing the invoice will itemize both demand and energy UPC dollars applied and credited to member accounts. With the UPC charges being within base rates prior to the April 2010 billing, the “Dollars Applied to Balance” will show \$0, and “Dollars Credited” will show a dollar amount if the balance is paid in-full. Beginning with the April 2010 billing there will be a value in “Dollars Applied to Balance” since the UPC is no longer in the base rates. Following the initial month in which the UPC balance pay-down is completed “Dollars Applied to Balance” should match “Dollars Credited”. The invoice will also contain a special note indicating that the UPC balance is “paid in-full” (Exhibit 4).
 3. Once all member systems have completed full payment of the UPC balances, a formal letter will be sent to all members indicating all UPC balances have been paid and UPC charges will be removed from billing.
-

**JACKSON COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION**

Appendix "A"

Purchased Power Adjustment – The purchased power adjustment in rate schedules "A", "G", and "P" shall be on the basis of a purchased power cost adjustment tracking factor occasioned solely by changes in the cost of purchased power, in accordance with the order of the Indiana Utility Regulatory Commission, approved December 17, 1976, in cause No. 34614, as follows.

Rate Adjustment Applicable to the Above-Listed Rate Schedules Effective April 1, 2010
\$0.022842 per kWh used each month

Fuel Cost Adjustment – The fuel cost adjustment in dollars per kWh shall be the same as that most recently billed to Jackson County Rural Electric by its purchased power supplier less \$.000000, such difference to be divided by one minus the total energy losses of the utility for the preceding year.

Change in Fuel Cost Charge – The above rates are subject to change in fuel cost charge in accordance with IC-8-1-2-1 et. seq., as amended. The change in fuel cost charge is stated in Appendix "FC", is applicable hereto, and is issued and effective on the date shown on Appendix "FC".

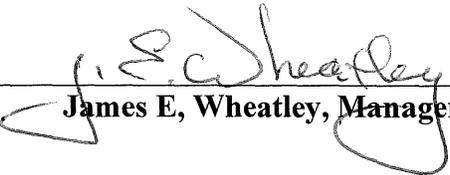


VERIFIED STATEMENT IN SUPPORT OF CHANGE IN SCHEDULE OF RATES

TO THE INDIANA UTILITY REGULATORY COMMISSION:

- 1. Jackson County Rural Electric Membership Corporation, P.O. Box K, Brownstown, IN, under and pursuant to the Indiana Utility Regulatory Commission Act, as amended, and Commission Order in Cause No. 34614, hereby files with the Indiana Utility Regulatory Commission for its approval, an increase in its schedule of rates for electricity sold in the amount of \$.030640 per kilowatt hour (KWH) effective June 1, 2010.
- 2. The accompanying changes in schedules of rates are based solely upon the change in the cost of purchased power, purchased by this utility computed in accordance with the Indiana Utility Regulatory Commission Order in Cause No. 34614 dated December 17, 1976.
- 3. All of the matters and facts stated herein and in the attached exhibits are true and correct. If approved, this change of rate shall take effect for the next particle consumption period following the date of such approval.

Jackson County Rural Electric Membership Corporation

By: 
James E, Wheatley, Manager

STATE OF INDIANA)
)
COUNTY OF JACKSON)

Personally appeared before me, a Notary Public in and for said county and state, this **4th day of March, 2010**, James E. Wheatley, who, after having been duly sworn according to law, stated that he is the Manager of Jackson County Rural Electric Membership Corporation; that he has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that he is duly authorized to execute this instrument for and on behalf of the applicant herein.


(Betty Sue Baute) Notary Public

County of residence: **Jackson**

My commission expires: **November 10, 2014**

RECEIVED ON: MARCH 5, 2010
IURC 30-DAY FILING NO.: 2673
Indiana Utility Regulatory Commission

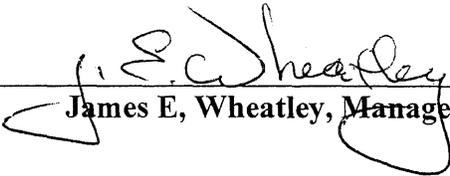
Schedule B-1

VERIFIED STATEMENT IN SUPPORT OF CHANGE IN SCHEDULE OF RATES

TO THE INDIANA UTILITY REGULATORY COMMISSION:

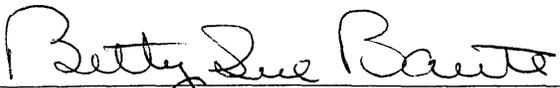
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(Betty Sue Baute) Notary Public

County of residence: Jackson

My commission expires: November 10, 2014

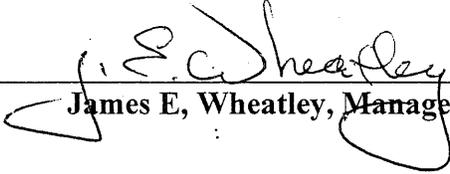
VERIFIED STATEMENT IN SUPPORT OF CHANGE IN SCHEDULE OF RATES

TO THE INDIANA UTILITY REGULATORY COMMISSION:

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Jackson County Rural Electric Membership Corporation

By: _____


James E, Wheatley, Manager

STATE OF INDIANA)
)
COUNTY OF JACKSON)

Personally appeared before me, a Notary Public in and for said county and state, this **4th day of March, 2010**, James E. Wheatley, who, after having been duly sworn according to law, stated that he is the Manager of Jackson County Rural Electric Membership Corporation; that he has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that he is duly authorized to execute this instrument for and on behalf of the applicant herein.



(Betty Sue Baute) Notary Public

County of residence: Jackson

My commission expires: November 10, 2014

Computation of Tracking Factor - Schedule B-2

3/3/2010

(Per Hoosier's April 1, 2010 Tariff With Tracker Starting June 1, 2010)

1. Cost of purchases 12 months ending November 2009 (April 2010 Rates)	\$ 35,942,871.10
2. Cost of purchases 12 months ending November 2009 (January 2009 Rates)	\$ 35,165,909.38
3. Change in Purchased Power Cost: (1) - (2)	\$ 776,961.72
4. Change in Utility Receipts Taxes @ 1.40% * (3)	\$ 10,877.46
5. Change in Revenue Requirements: (3) + (4)	\$ 787,839.18
6. Total Metered KWH Sales: Test Year (12 months ending November 2009)	467,742,139
7. Base rate roll-in: (5) / (6)	\$ 0.001684
8. Fuel Clause Revenue (corresponding to line 2 fuel costs)	\$ 5,373,513.19
9. Fuel Roll-in: (8) / (6)	\$ 0.011488
9.1 Roll-in of fuel clause base offset: (14) / (1- line losses)	\$ -
Current line loss factor: 94.88%	
10. Tracking factor total roll-in: (7) + (9) + (9.1)	\$ 0.013172
Revised Fuel Clause Base:	
11. Fuel clause charges (new rates)	\$ -
12. Total KWH purchased (12 months end November 2009)	492,149,952
13. Revised fuel clause base: (11) / (12)	\$ -
14. Offset to bring revised base to zero	\$ -

Impact on Jackson County REMC's January 2009 Appendix "A"

a.) Tracking Factor for January 2009 Rates	\$ 0.017468
b.) Increase of Tracking Factor Starting June 1, 2010 (10)	\$ 0.013172
c.) Tracking Factor Starting June 1, 2010 (a) + (b)	\$ 0.030640

To be effective starting 06/01/2010

Test Year cost of power at current January 1, 2009 tariff

3/4/2010

Month / Year	Total kWh Purchased	Metered 60-Min Clock Hour (CP) kW	Metered 30-Min Rolling (NCP) kW	Billed Power Factor Adj. 30-Min Rolling (NCP) kW	Production kW Charges (CP) \$	Transmission Charges (NCP) \$	Substation and Radial kW Charges (NCP) \$	Energy Charge (kWh) \$	Tracker Charge (kWh) \$	Hoosier Misc. Billing Adj. \$	Total Bill \$
				95.00%	\$6.67	\$3.46	\$1.27	\$0.033570	\$0.010900	100%	
November 2009	38,750,088	79,937	87,127	87,127	\$ 533,179.79	\$ 301,459.42	\$ 110,651.29	\$ 1,300,840.45	\$ 422,375.96	\$ -	\$ 2,668,506.91
October 2009	34,452,597	69,517	80,653	80,653	463,678.39	279,100.90	102,444.55	1,156,573.68	375,533.31	(6,357.12)	2,370,973.71
September 2009	31,085,189	64,928	69,880	69,914	433,089.76	241,902.44	88,790.78	1,043,529.79	338,828.56	-	2,146,121.33
August 2009	39,105,696	87,626	94,919	94,919	584,465.42	328,419.74	120,547.13	1,312,778.21	426,252.09	(7,955.86)	2,764,506.73
July 2009	36,473,271	75,356	85,345	85,345	502,624.52	295,293.70	108,388.15	1,224,407.71	397,558.65	-	2,528,272.73
June 2009	38,191,774	91,744	94,661	94,661	611,932.48	327,527.06	120,219.47	1,282,097.85	416,290.34	-	2,758,067.20
May 2009	30,327,915	61,442	69,913	70,057	409,818.14	242,397.22	88,972.39	1,018,108.11	330,574.27	-	2,089,870.13
April 2009	33,654,203	74,934	88,479	88,598	499,809.78	306,549.08	112,519.46	1,129,771.59	366,830.81	(2,346.08)	2,413,134.65
March 2009	39,753,925	116,178	120,384	120,384	774,907.26	416,528.64	152,887.68	1,334,539.26	433,317.78	-	3,112,180.62
February 2009	48,013,938	134,516	136,239	136,239	897,221.72	471,386.94	173,023.53	1,611,827.90	523,351.92	-	3,676,812.01
January 2009	63,765,337	142,890	145,110	145,110	953,076.30	502,080.60	184,289.70	2,140,602.36	695,042.17	-	4,475,091.14
December 2008	58,576,019	135,116	138,859	138,859	901,223.72	480,452.14	176,350.93	1,966,396.96	638,478.61	(530.15)	4,162,372.20
12 months ending November 2009	492,149,952	1,134,184	1,211,569	1,211,878	\$ 7,565,007.28	\$ 4,193,097.88	\$ 1,539,085.06	\$ 16,521,473.89	\$ 5,364,434.48	\$ (17,189.21)	\$ 35,165,909.38
											\$0.071454 Per kWh

RECEIVED ON: MARCH 5, 2010
IURC 30-DAY FILING NO.: 2673
Indiana Utility Regulatory Commission

Test Year cost of power at April 1, 2010 tariff starting June 1, 2010 (pro-forma)

Month / Year	Calculated On-Peak kWh Purchased	Off-Peak kWh Purchased	Total kWh Purchased	Metered 60-Min Clock Hour (CP) kW	Shoulder Months Averaged Billed 60-Min Clock Hour (CP) kW	Metered 30-Min Block (NCP) kW	Power Factor Adj. 30-Min Block (NCP) kW	Summer Production kW Charges (CP) \$	Winter Production kW Charges (CP) \$	Transmission Charges (CP) \$	
							95.00%	\$9.85	\$6.80	\$3.58	
November 2009	0	38,750,088	38,750,088	79,937	84,909	86,771	86,771	\$ 836,350.37	\$ -	\$ 286,174.46	Continued ==>
October 2009	0	34,452,597	34,452,597	69,517	84,909	80,130	80,130	836,350.37	-	248,870.86	
September 2009	0	31,085,189	31,085,189	64,928	84,909	69,610	69,610	836,350.37	-	232,442.24	
August 2009	14,020,270	25,085,426	39,105,696	87,626	87,626	94,773	94,773	863,116.10	-	313,701.08	
July 2009	14,267,539	22,205,732	36,473,271	75,356	75,356	85,083	85,083	742,256.60	-	269,774.48	
June 2009	14,327,641	23,864,133	38,191,774	91,744	91,744	94,392	94,392	903,678.40	-	328,443.52	
May 2009	0	30,327,915	30,327,915	61,442	137,507	69,905	69,905	-	935,049.87	219,962.36	
April 2009	0	33,654,203	33,654,203	74,934	137,507	88,071	88,071	-	935,049.87	268,263.72	
March 2009	0	39,753,925	39,753,925	116,178	137,507	119,968	119,968	-	935,049.87	415,917.24	
February 2009	9,693,748	38,320,190	48,013,938	134,516	134,516	136,075	136,075	-	914,708.80	481,567.28	
January 2009	12,101,583	51,663,754	63,765,337	142,890	142,890	144,783	144,783	-	971,652.00	511,546.20	
December 2008	11,480,508	47,095,511	58,576,019	135,116	135,116	138,719	138,719	-	918,788.80	483,715.28	
12 months ending November 2009	75,891,289	416,258,663	492,149,952	1,134,184	1,334,496	1,208,280	1,208,280	\$ 5,018,102.20	\$ 5,610,299.20	\$ 4,060,378.72	

Continuation of Test Year cost of power at April 1, 2010 tariff starting June 1, 2010 (pro-forma)

Month / Year	Substation and Radial kW Charges (NCP) \$	On-Peak Energy Charge (kWh) \$	Off-Peak Energy Charge (kWh) \$	Factored Hoosier Misc. Billing Adj. \$	Total Bill \$
	\$1.80	\$0.065000	\$0.034000	38.055%	
November 2009	\$ 156,187.80	\$ -	\$ 1,317,502.99	\$ -	\$ 2,310,041.16
October 2009	144,234.00	-	1,171,388.30	(2,419.20)	2,149,553.46
September 2009	125,298.00	-	1,056,896.43	-	2,018,544.79
August 2009	170,591.40	911,317.55	852,904.48	(3,027.60)	2,794,901.93
July 2009	153,149.40	927,390.04	754,994.89	-	2,577,790.92
June 2009	169,905.60	931,296.67	811,380.52	-	2,816,261.19
May 2009	125,829.00	-	1,031,149.11	-	2,092,027.98
April 2009	158,527.80	-	1,144,242.90	(892.80)	2,236,927.77
March 2009	215,942.40	-	1,351,633.45	-	2,502,625.72
February 2009	244,935.00	630,093.62	1,302,886.46	-	3,092,623.88
January 2009	260,609.40	786,602.90	1,756,567.64	-	3,775,431.93
December 2008	249,694.20	746,233.02	1,601,247.37	(201.75)	3,515,761.65
12 months ending November 2009	\$ 2,174,904.00	\$ 4,932,933.79	\$ 14,152,794.54	\$ (6,541.35)	\$ 31,882,492.38
					\$0.064782 Per kWh (\$0.006672) Decrease Per kWh

Calculation of currently tracked wholesale expenses being rolled into new wholesale base tariff

3/4/2010

Energy cost base for new wholesale tariff:	\$	0.036050
Energy cost base for existing wholesale tariff:	\$	0.028220
Energy cost base increase:	\$	<u>0.007830</u>
Holland costs being rolled out of wholesale tracker into new wholesale base tariff:	\$	<u>0.003070</u>
Total existing tracker charges being rolled into new wholesale base tariff:	\$	0.010900
Line loss adjustment factor for 2010 fuel adjustments calculations:		0.9488
Retail fuel adjustments corresponding to the rolled-in wholesale tracker charges:	\$	0.011488

**JACKSON COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION**

Appendix "A"

Purchased Power Adjustment – The purchased power adjustment in rate schedules "A", "G", and "P" shall be on the basis of a purchased power cost adjustment tracking factor occasioned solely by changes in the cost of purchased power, in accordance with the order of the Indiana Utility Regulatory Commission, approved December 17, 1976, in cause No. 34614, as follows.

Rate Adjustment Applicable to the Above-Listed Rate Schedules Effective June 1, 2010
\$0.030640 per kWh used each month

Fuel Cost Adjustment – The fuel cost adjustment in dollars per kWh shall be the same as that most recently billed to Jackson County Rural Electric by its purchased power supplier less \$.000000, such difference to be divided by one minus the total energy losses of the utility for the preceding year.

Change in Fuel Cost Charge – The above rates are subject to change in fuel cost charge in accordance with IC-8-1-2-1 et. seq., as amended. The change in fuel cost charge is stated in Appendix "FC", is applicable hereto, and is issued and effective on the date shown on Appendix "FC".

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

STANDARD WHOLESALE TARIFF

Availability

This Standard Wholesale Tariff is available to all member cooperatives of Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier Energy) for redistribution and resale of energy and demand. Hoosier Energy shall provide electric energy and demand at transformation voltage of approximately 12.5/7.2 kV.

Applicability

This Tariff is applicable only to those member cooperatives that have executed a power supply contract with Hoosier Energy or execute such a contract subsequent to the effective date of this Tariff. This Tariff shall apply to each delivery point separately.

Hoosier Energy reserves the right to decline to serve any new load of more than 10,000 kilowatts under this Tariff.

Effective Date

This Tariff shall become effective on January 1, 2009, and shall remain in effect until revised, amended, or otherwise changed by Hoosier Energy's Board of Directors.

Monthly Rate

Demand Charge:

Production Component: \$6.67 per kW of Coincident Peak Demand

Transmission Component: \$3.46 per kW of Non-Coincident Demand

Substation & Radial Line Component: \$1.27 per kW of Non-Coincident Demand

Energy Charge: \$0.03357 per all kWh

Excess Net kVARh charge: \$0.00616 per kVARh per month
(effective January 1, 2010)

Coincident Demand

Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's clock-hour demand that is coincident with Hoosier Energy's system peak demand during the On-Peak Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

Non-Coincident Demand

Non-Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's highest kW demand for any rolling 30-minute period during the billing month.

Power Factor Adjustment

If the power factor (leading or lagging) at the time of the Non-Coincident Demand is determined to be less than 95% (97% as of January 1, 2010), the Non-Coincident Demand shall be adjusted separately by multiplying the Non-Coincident Demand by the ratio of the current target power factor percent (95% or 97%) and the measured actual power factor percent at the time of the Non-Coincident Demand.

Effective January 1, 2010, if the Average Monthly Power Factor (leading or lagging) is determined to be less than 95 percent, the "Excess Net kVARh" subject to the "Excess Net kVARh charge" is the difference between the actual measured Net kVARh amount and a calculated Net kVARh, based upon the recorded kWh for the month and the targeted average monthly power factor of 95%. The Net kVARh calculation is based upon the standard Average Monthly Power Factor equation of:

$$\text{Average Monthly Power Factor} = \text{AMPF} = \frac{\text{kWh}}{\sqrt{\text{kWh}^2 + \text{Net kVARh}^2}}$$

$$\text{Net KVARh} = \text{kWh} \times \sqrt{[1 \div (\text{AMPF})^2] - 1}$$

Minimum Monthly Charge

The minimum monthly charge for each delivery point shall be \$2,287 per month plus energy charges.

Power Cost Adjustment

The Energy Charge will be adjusted by the Power Cost Tracker as listed in Appendix PC then in effect and approved for service to the member cooperatives of Hoosier Energy.

Payment Provisions

Late Payment

- (a) Each member cooperative shall provide Hoosier Energy payment in full of its power bill on or before the Due Date. The Due Date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a holiday or weekend.
- (b) Any power bill payment not received and made available at the financial institution designated by Hoosier Energy by the Due Date will be assessed a Late Payment Charge calculated as follows:

$$\text{Late Payment Charge} = B \times \frac{P}{100} \times \frac{N}{365} \text{ where,}$$

B = \$ amount of power bill not paid by the Due Date;

P = Prime Rate as published in the Wall Street Journal; and

N = Number of days the unpaid balance is overdue.

- (c) For purposes of calculating each Late Payment Charge, the \$ amount of unpaid power bill will not include any Late Payment Charge.
- (d) For purposes of calculating each Late Payment Charge, the Prime Rate used will be that in effect as of the first delinquent day and will remain in effect until the first calendar day of the succeeding month, at which time the Prime Rate then in effect shall be the Prime Rate used.
- (e) Hoosier Energy will bill the member systems for Late Payment Charges on a monthly basis and such amount will be added to the following month's power bill.

Early Payment

- (a) To facilitate efficient use of working capital funds between Hoosier Energy and each member distribution system, each member shall have the option to pay its power bill (or any portion thereof to a minimum of \$100,000), in advance of the due date [the due date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a weekend or holiday]. In such instance, Hoosier Energy will discount the power bill at a market rate of interest for the number of days payment is received in advance of the due date. The discount period will begin the day funds are received and made available at the financial institution where Hoosier Energy is receiving power bill payments. The discount rate used shall be comparable to that of Hoosier Energy's available credit line(s) at the time of prepayment.

(b) The formula for determining the discount is as follows:

$$\text{Discount} = B * \frac{I}{100} * \frac{N}{360} \text{ where,}$$

B = \$ amount of power bill paid in advance of due date;

I = Rate comparable to that of Hoosier Energy's available credit line(s); and

N = Number of days from when funds are received and available to Hoosier Energy prior to the due date.

Example:

Pre-paid power bill = \$300,000

Funds received and available on 16th of month

Due date is 31st of month

Rate comparable to that of Hoosier Energy's available credit line(s) = 5.40%

$$\text{Discount} = 300,000 * \frac{5.40}{100} * \frac{15}{360}$$

$$\text{Discount} = \$675$$

(c) Each member system can apply the discount when submitting payment. For estimating the number of days, use the first business day following the day payment is submitted if by wire transfer and the second business day if by mail. Each system should also use the discount rate in effect the day before payment is made.

(d) Hoosier Energy will reconcile any differences to actual (to the extent material) in the subsequent month.

Terms and Conditions

This Tariff, or any part thereof, may be revised, amended, or otherwise changed from time to time by Hoosier Energy's Board of Directors. This Tariff shall supersede and replace any previous Standard Wholesale Tariff and any previous Unbundled Tiered Wholesale Tariff used by Hoosier Energy.

Hoosier Energy will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruptions but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service.

Energy Sales – Represents total kWh sales to members under the Unbundled Tiered Wholesale Tariff, Industrial Power Tariff, Interruptible Power Tariff, Interruptible Power Tariff No. 2, Economic Development Rate No. 4 Tariff, Economic Development Non-Coincident Demand Tariff No. 5, Economic Development Coincident Demand Tariff No. 5 and through customer-specific contracts, where applicable, and sales to Troy municipal.

Environmental Compliance Capital Cost Adjustment Based upon the following formula:

$$a \times (b + c) - d$$

a = All costs in RUS Account No. 101.8, Plant in Service, Environmental Assets which represent cumulative environmental compliance property placed in service subsequent to December 31, 2005 and as of the Billing Period. For environmental compliance capital projects with anticipated construction periods in excess of two years, all amounts in RUS Account No. 107.8, CWIP, Environmental Assets, which represent construction work in progress on such projects, shall also be included.

b = Average interest rate for the Current Period

c = Depreciation rate for environmental compliance property for the Current Period (not applicable to CWIP)

d = Demand revenue received from non-members directly related to Environmental Compliance Capital Costs

Environmental Compliance Fixed O&M Costs – All amounts included in RUS Account No. 502.8 Steam Expense, 511.8 Maintenance of Structures, and 512.8 Maintenance of Boiler Plant less demand revenue received from non-members directly related to Environmental Compliance Fixed O&M Costs.

Holland Facility Ownership Cost Adjustment – All fixed costs associated with ownership of the Holland Facility until such time as these costs are included in base rates including the following:

- i) All amounts in RUS Account Nos. 546, 548, 549, 550, 551, 552, 553, and 554, which represent fixed operations and maintenance expenses for the Holland Facility;
- ii) All amounts in RUS Account No. 403 (Depreciation Expense— Other Production Plant) associated with the Holland Facility;
- iii) All amounts in RUS Account No. 427, (Interest on Long-Term Debt) associated with the Holland Facility.

MISO Transmission Costs – All amounts included in RUS Account No. 561.4 Scheduling System Control and Dispatching Services, 561.8 Reliability Planning and Standards Development Services, 565 Transmission of Electricity by Others, and 575 Regional Market Expenses as charged by MISO.

Variable Production Costs – Defined as costs including the following:

- iv) All amounts in RUS Account No. 501 (Steam Generation–Fuel);
 - v) All amounts in RUS Account Nos. 502.57, 503 and 504, which represent variable operation and maintenance expenses for the steam generation facilities, such as lime, limestone, ammonia and other chemicals;
 - vi) All amounts in RUS Account Nos. 509, which represents the net cost of SO₂ and NO_x emission credits;
 - vii) All amounts in RUS Account No. 547 (Other Power Generation–Fuel);
 - viii) All amounts in RUS Account No. 555 (Purchased Power) except amounts related to the AK Steel load and the amortization of the Williams termination costs;
 - ix) All amounts in RUS Account Nos. 548.9 (Other Power Generation – Generation Expenses Variable) and 553.9 (Other Power Generation–Maintenance of Generating and Electric Equipment Variable), which represent variable operation and maintenance expenses for the gas-fired generation facilities;
 - x) Less energy revenue received from non-member sales.
- RUS account numbers may be amended from time to time.

III. Reconciliation

Quarterly

A reconciliation adjustment shall be computed by dividing the over- or under-recovery amount outstanding at the beginning of the Billing Period by Current Sales. Tracker billings for recovery of pre-2007 costs are excluded for purposes of determining this reconciliation adjustment.

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

STANDARD WHOLESALE TARIFF

Availability

This Standard Wholesale Tariff is available to all member cooperatives of Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier Energy) for redistribution and resale of energy and demand. Hoosier Energy shall provide electric energy and demand at transformation voltage of approximately 12.5/7.2 kV.

Applicability

This Tariff is applicable only to those member cooperatives that have executed a power supply contract with Hoosier Energy or execute such a contract subsequent to the effective date of this Tariff. This Tariff shall apply to each delivery point separately.

Hoosier Energy reserves the right to decline to serve any new load of more than 10,000 kilowatts under this Tariff.

Effective Date

This Tariff shall become effective on April 1, 2010, and shall remain in effect until revised, amended, or otherwise changed by Hoosier Energy's Board of Directors.

Monthly Rate

Demand Charges:

Production:	
Summer	\$9.85 per kW of Summer Coincident Peak Demand
Winter	\$6.80 per kW of Winter Coincident Peak Demand
Transmission:	\$3.58 per kW of Coincident Demand
Substation & Radial Line:	\$1.80 per kW of Billing Non-Coincident Demand

Energy Charge:

On-Peak \$0.06500 per all kWh
Off-Peak \$0.03400 per all kWh

Excess Net kVARh charge: \$0.00616 per kVARh per month

Summer Coincident Demand

For the months of June through August, Summer Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's clock-hour demand that is coincident with Hoosier Energy's system peak demand occurring during Load Control Periods within the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

For the months of September through November, Summer Coincident Demand is the average of the Summer Coincident Demands for the preceding months of June through August.

Winter Coincident Demand

For the months of December through February, Winter Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's clock-hour demand that is coincident with Hoosier Energy's system peak demand occurring during Load Control Periods within the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

For the months of March through May, Winter Coincident Demand is the average of the Winter Coincident Demands for the preceding months of December through February.

2010 Implementation

For only the months of April through May, 2010, Winter Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's clock-hour demand that is coincident with Hoosier Energy's system peak demand during the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

Coincident Demand

Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's clock-hour demand that is coincident with Hoosier Energy's system peak demand during the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

Load Control Period

A load control period is any time during a billing month in which Hoosier Energy dispatches the load control (or demand response) resources.

Non-Coincident Demand

Non-Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point's highest kW demand for any fixed 30-minute period during the billing month.

Billing Non-Coincident Demand

Billing Non-Coincident Demand at each member delivery point in the month of billing shall be the delivery's point non-coincident demand adjusted for the power factor as required.

Energy

On-Peak:

On-Peak - For the months of June through August, excluding Independence Day, On-Peak Energy shall be all kilowatt-hours used during the period 11:00 a.m. to 9:00 p.m. – Monday through Friday, E.S.T., daily.

For the months of December through February, excluding Christmas and New Years Day, On-Peak Energy shall be all kilowatt-hours used during the periods 7:00 a.m. to 10:00 a.m. and 6:00 p.m. to 9:00 p.m. – Monday through Friday, E.S.T., daily.

Off-Peak:

Off-Peak Energy shall be all kilowatt-hours used during all hours other than on-peak hours as described above.

Power Factor Adjustment

If the power factor (leading or lagging) at the time of the Non-Coincident Demand is determined to be less than 97%, the Non-Coincident Demand shall be adjusted separately by multiplying the Non-Coincident Demand by the ratio of the current target power factor percent (97%) and the measured actual power factor percent at the time of the Non-Coincident Demand.

If the Average Monthly Power Factor (leading or lagging) is determined to be less than 95%, the "Excess Net kVARh" subject to the "Excess Net kVARh charge" is the difference between the actual measured Net kVARh amount and a calculated Net kVARh, based upon the

recorded kWh for the month and the targeted average monthly power factor of 95%. The Net kVARh calculation is based upon the standard Average Monthly Power Factor equation of:

$$\text{Average Monthly Power Factor} = \text{AMPF} = \frac{\text{kWh}}{\sqrt{\text{kWh}^2 + \text{Net kVARh}^2}}$$

$$\text{Net KVARh} = \text{kWh} \times \sqrt{[1 + (\text{AMPF})^2] - 1}$$

Minimum Monthly Charge

The minimum monthly charge for each delivery point shall be \$2,500 per month plus energy charges.

Power Cost Adjustment

The Energy Charge will be adjusted by the Power Cost Tracker as listed in Appendix PC then in effect and approved for service to the member cooperatives of Hoosier Energy.

Payment Provisions

Late Payment

- (a) Each member cooperative shall provide Hoosier Energy payment in full of its power bill on or before the Due Date. The Due Date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a holiday or weekend.
- (b) Any power bill payment not received and made available at the financial institution designated by Hoosier Energy by the Due Date will be assessed a Late Payment Charge calculated as follows:

$$\text{Late Payment Charge} = B \times \frac{P}{100} \times \frac{N}{365} \text{ where,}$$

B = \$ amount of power bill not paid by the Due Date;

P = Prime Rate as published in the Wall Street Journal; and

N = Number of days the unpaid balance is overdue.

- (c) For purposes of calculating each Late Payment Charge, the \$ amount of unpaid power bill will not include any Late Payment Charge.

- (d) For purposes of calculating each Late Payment Charge, the Prime Rate used will be that in effect as of the first delinquent day and will remain in effect until the first calendar day of the succeeding month, at which time the Prime Rate then in effect shall be the Prime Rate used.
- (e) Hoosier Energy will bill the member systems for Late Payment Charges on a monthly basis and such amount will be added to the following month's power bill.

Early Payment

- (a) To facilitate efficient use of working capital funds between Hoosier Energy and each member distribution system, each member shall have the option to pay its power bill (or any portion thereof to a minimum of \$100,000), in advance of the due date [the due date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a weekend or holiday]. In such instance, Hoosier Energy will discount the power bill at a market rate of interest for the number of days payment is received in advance of the due date. The discount period will begin the day funds are received and made available at the financial institution where Hoosier Energy is receiving power bill payments. The discount rate used shall be comparable to that of Hoosier Energy's available credit line(s) at the time of prepayment.
- (b) The formula for determining the discount is as follows:

$$\text{Discount} = B * \frac{I}{100} * \frac{N}{360} \text{ where,}$$

- B = \$ amount of power bill paid in advance of due date;
- I = Rate comparable to that of Hoosier Energy's available credit line(s); and
- N = Number of days from when funds are received and available to Hoosier Energy prior to the due date.

Example:

Pre-paid power bill = \$300,000
Funds received and available on 16th of month
Due date is 31st of month
Rate comparable to that of Hoosier Energy's available credit line(s) = 5.40%

$$\text{Discount} = 300,000 * \frac{5.40}{100} * \frac{15}{360}$$
$$\text{Discount} = \$675$$

- (c) Each member system can apply the discount when submitting payment. For estimating the number of days, use the first business day following the day payment is submitted if by wire transfer and the second business day if by mail. Each system should also use the discount rate in effect the day before payment is made.

- (d) Hoosier Energy will reconcile any differences to actual (to the extent material) in the subsequent month.

Terms and Conditions

This Tariff, or any part thereof, may be revised, amended, or otherwise changed from time to time by Hoosier Energy's Board of Directors. This Tariff shall supersede and replace any previous Standard Wholesale Tariff and any previous Unbundled Tiered Wholesale Tariff used by Hoosier Energy.

Hoosier Energy will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruptions but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service.

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

APPENDIX PC

I. Power Cost Tracker

The energy charges set forth in all Hoosier Energy rate schedules that include a Power Cost Tracker clause shall be increased or decreased on a quarterly basis, to the nearest \$0.00001 per kWh, which shall be applied to members' kWh billings during the applicable Billing Period. The Power Cost Tracker represents the difference between Current Cost per kWh (*Current Cost ÷ Current Sales*) and Base Cost per kWh determined for the applicable quarter in accordance with the following formula:

$$\text{Power Cost Tracker} = \frac{\text{Current Cost}}{\text{Current Sales}} - \text{Base Cost}$$

The Power Cost Tracker will be determined on a calendar quarter basis and applied to kWh sales to members each month.

II. Definitions

Billing Period – The calendar quarter for which the Power Cost Tracker is applied. The initial Billing Period is April 1, 2010 through June 30, 2010.

Base Cost – Equals \$.03605 per kWh.

Current Cost – Represents the sum of Variable Production Costs, MISO Transmission Costs, Environmental Compliance Capital Cost Adjustment, Environmental Compliance Fixed O&M Costs, and Demand Side Management/Energy Efficiency Program Cost Adjustment for the Current Period.

Current Period – The 12-month period commencing with the start of the Billing Period. For example, for the Billing Period beginning April 1, 2010, the Current Period consists of April 1, 2010 through March 31, 2011.

Demand Side Management/Energy Efficiency Program Cost Adjustment – All costs associated with demand side management and energy efficiency program initiatives,

Current Sales – Represents Energy Sales for the Current Period.

Energy Sales – Represents total kWh sales to members under all tariffs subject to the Power Cost Tracker and through customer-specific contracts, where applicable, and sales to Troy municipal.

Environmental Compliance Capital Cost Adjustment – Based upon the following formula:

$$a \times (b + c) - d$$

a = All costs in RUS Account No. 101.8, Plant in Service, Environmental Assets which represent cumulative environmental compliance property placed in service subsequent to December 31, 2009 and as of the Billing Period. For environmental compliance capital projects with anticipated construction periods in excess of two years, all amounts in RUS Account No. 107.8, CWIP, Environmental Assets, which represent construction work in progress on such projects, shall also be included.

b = Average interest rate for the Current Period

c = Depreciation rate for environmental compliance property for the Current Period (not applicable to CWIP)

d = Demand revenue received from non-members directly related to Environmental Compliance Capital Costs

Environmental Compliance Fixed O&M Costs – All amounts included in RUS Account No. 502.8 Steam Expense, 511.8 Maintenance of Structures, and 512.8 Maintenance of Boiler Plant less demand revenue received from non-members directly related to Environmental Compliance Fixed O&M Costs.

MISO Transmission Costs – All amounts included in RUS Account No. 561.4 Scheduling System Control and Dispatching Services, 561.8 Reliability Planning and Standards Development Services, 565 Transmission of Electricity by Others, and 575 Regional Market Expenses as charged by MISO.

Variable Production Costs – Defined as costs including the following:

- i) All amounts in RUS Account No. 501 (Steam Generation–Fuel);
- ii) All amounts in RUS Account Nos. 502.6, 503 and 504, which represent variable operation and maintenance expenses for the steam generation facilities, such as lime, limestone, ammonia and other chemicals;
- iii) All amounts in RUS Account Nos. 509 and 411.8, which represents the net cost of SO₂ and NO_x emission credits;
- iv) All amounts in RUS Account No. 547 (Other Power Generation–Fuel);
- v) All amounts in RUS Account No. 555 (Purchased Power) except amounts related to the AK Steel load;
- vi) All amounts in RUS Account Nos. 548.6 (Other Power Generation Operations Expenses) and 553.6 (Other Power Generation Maintenance Expenses), which represent variable operation and maintenance expenses for the gas-fired generation facilities;
- vii) Less energy revenue received from non-member sales.

RUS account numbers may be amended from time to time.

III. Reconciliation

Quarterly

A reconciliation adjustment shall be computed by dividing the over- or under-recovery amount outstanding at the beginning of the Billing Period by Current Sales. Tracker billings for recovery of pre-2007 costs are excluded for purposes of determining this reconciliation adjustment.

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED APPLICATION AND AFFIDAVIT) CAUSE NO. _____
FOR CHANGE IN FUEL COST ADJUSTMENT)

TO THE INDIANA UTILITY REGULATORY COMMISSION:

Jackson County Rural Electric Membership Corporation (hereinafter called

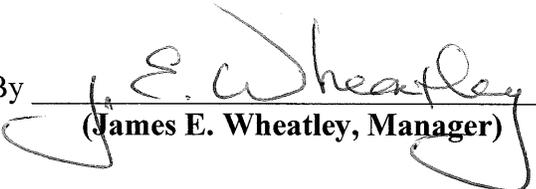
“Applicant”) respectfully represents and shows unto this Commission:

1. Applicant is distributing electric utility organized and existing under the laws of the State of Indiana, and has its principal office at **Brownstown**, Indiana. It is engaged in rendering electric utility service in the State of Indiana, and owns, operates, manages, and controls, among other things, equipment within the State of Indiana used for the transmission, delivery and furnishing of such service to the public. Applicant is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Indiana Regulatory Commission Act and other laws of the State of Indiana.
2. The name and address of Applicant’s attorney in this matter is **Andrew H. Wright**, **31 Public Square, Salem**, Indiana. Said attorney is duly authorized to accept service papers in this cause on behalf of Applicant.
3. This application is filed, pursuant to provisions of the Indiana Utility Regulatory Commission Act, IC 1971, 8-1-2-42 (b) for the purpose of securing authorization for an approval of the change in the fuel cost adjustment charges of Applicant.
4. Applicant’s fuel charges for purchased electricity during the past month warrant the altered fuel cost adjustment multiplier as shown in the proposed Appendix “FC” attached hereto and made a part hereof the same as if incorporated herein.

5. Such altered fuel cost adjustment multiplier is calculated in accordance with the fuel cost adjustment clause formula previously filed with and approved by this Commission.
6. The cost data supporting the increase (or decrease) is shown on Exhibit "A" attached hereto and made a part hereof the same as incorporated herein.
7. The books and records of Applicant supporting such data and calculation are available for inspection and review by the Public Counselor and this Commission. WHEREFORE, Applicant respectfully prays that the Indiana Utility Regulatory Commission of Indiana accept this application for filing and approve the requested change.
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and
 - iii) making such other and further orders in the premises as the Commission may deem appropriate and proper.

Dated this 4th day of March 2010.

By


(James E. Wheatley, Manager)

Andrew H. Wright

Attorney for:

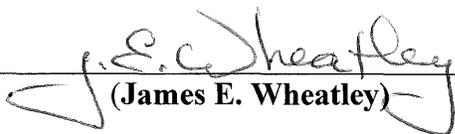
Jackson County Rural Electric Membership Corporation

STATE OF INDIANA)

) SS:

COUNTY OF **JACKSON**)

James E. Wheatley, being first duly sworn deposes and says that he is **Manager** of **Jackson County Rural Electric Membership Corporation** the Applicant in the above entitled cause; that as such officer of said corporation he has executed the foregoing application and has authority so to do; that he has read said application and knows the contents thereof; and that the statements therein contained are true to the best of his knowledge, information and belief.


(James E. Wheatley)

Subscribed and sworn to
Before me, this **4th** day
of **March 2010**


(Betty Sue Baute) Notary Public

My Commission Expires: **November 10, 2014**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED APPLICATION AND AFFIDAVIT) CAUSE NO. _____
FOR CHANGE IN FUEL COST ADJUSTMENT)

TO THE INDIANA UTILITY REGULATORY COMMISSION:

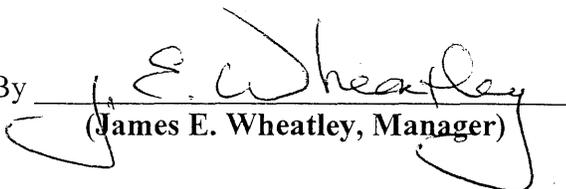
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(James E. Wheatley, Manager)

Andrew H. Wright

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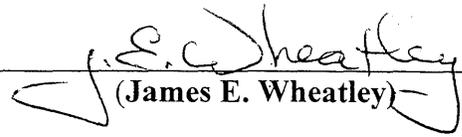
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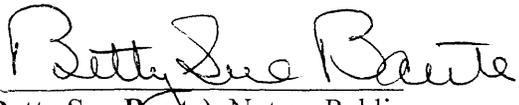
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(James E. Wheatley)

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Before me, this **4th** day
of **March 2010**



(Betty Sue Baute) Notary Public

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STATE OF INDIANA

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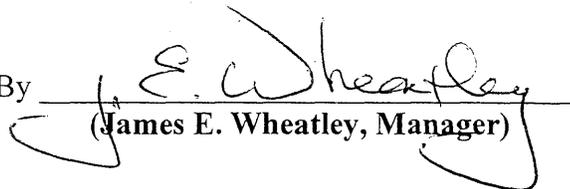
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By


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Andrew H. Wright

Attorney for:

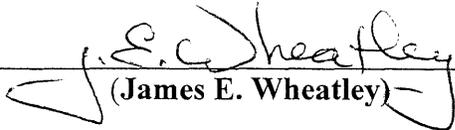
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(James E. Wheatley)

Subscribed and sworn to
Before me, this **4th** day
of **March 2010**



(Betty Sue Baute) Notary Public

My Commission Expires: **November 10, 2014**

Hoosier Energy REC, Inc.
POWER COST TRACKER
Effective April 1, 2010 - June 30, 2010
(\$ in thousands)

	<u>Environmental Compliance Costs</u>	<u>MISO Transmission Costs</u>	<u>Variable Production Costs</u>	<u>Total Projected Costs</u>	<u>Energy Sales (MWh)</u>	<u>Projected Costs per MWh</u>
April - December 2010	\$ 3,241	\$ 10,060	\$ 152,723	\$ 166,023	4,967,066	\$ 33.42
January - March 2011	\$ 903	\$ 4,379	\$ 67,048	\$ 72,330	1,892,865	\$ 38.21
Total	\$ 4,144	\$ 14,439	\$ 219,770	\$ 238,353	6,859,931	
Projected Cost per MWh	\$ 0.60	\$ 2.10	\$ 32.04	\$ 34.75		
Base Cost per MWh	\$ 0.97	\$ 1.93	\$ 33.15	\$ 36.05		
Power Cost Tracker before reconciliation adjustment per MWh	\$ (0.37)	\$ 0.17	\$ (1.11)	\$ (1.30)		
Reconciliation Adjustment per MWh				\$ (1.65)		
Power Cost Tracker before defeased lease transaction				\$ (2.95)		
Dedicated to defeased lease transaction				\$ 0.70		
Power Cost Tracker per MWh to be billed April 1, 2010 - June 30, 2010				\$ (2.25)		

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 purchased 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.

RECEIVED ON: MARCH 5, 2010
IURC 30-DAY FILING NO.: 2673
Indiana Utility Regulatory Commission

APPENDIX "FC"

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

Date: March 4, 2010

Name of Utility **Jackson County REMC**

Consumption Month(s) **April 2010**

Billing Month(s) **May 2010**

Supplier **Hoosier Energy REC, Inc.**

- | | | |
|-----|--|------------------|
| (1) | Supplier's Fuel Cost Charge billed in the month of
<u>04/01/2010 – 06/30/2010</u> | \$(0.002250)/kWh |
| (2) | Adjustment to Base Cost of Fuel per Appendix "A" | \$ 0.00/kWh |
| (3) | Net Fuel cost to be recovered via Appendix "FC" | \$(0.002250)/kWh |
| (4) | One minus decimal fraction of line losses for last calendar year | 0.9488 |
| (5) | Final Fuel Cost Charge | \$(0.002371)/kWh |

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 ____ - ____ - ____

APPENDIX "FC"

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

Date: March 4, 2010

Name of Utility **Jackson County REMC**

Consumption Month(s) **April 2010**

Billing Month(s) **May 2010**

Supplier **Hoosier Energy REC, Inc.**

(1)	Supplier's Fuel Cost Charge billed in the month of <u>04/01/2010 – 06/30/2010</u>	\$(0.002250)/kWh
(2)	Adjustment to Base Cost of Fuel per Appendix "A"	\$ 0.00/kWh
(3)	Net Fuel cost to be recovered via Appendix "FC"	\$(0.002250)/kWh
(4)	One minus decimal fraction of line losses for last calendar year	0.9488
(5)	Final Fuel Cost Charge	\$(0.002371)/kWh

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.

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Consumption Month(s) **April 2010**

Billing Month(s) **May 2010**

Supplier **Hoosier Energy REC, Inc.**

(1)	Supplier's Fuel Cost Charge billed in the month of <u>04/01/2010 – 06/30/2010</u>	\$(0.002250)/kWh
(2)	Adjustment to Base Cost of Fuel per Appendix "A"	\$ 0.00/kWh
(3)	Net Fuel cost to be recovered via Appendix "FC"	\$(0.002250)/kWh
(4)	One minus decimal fraction of line losses for last calendar year	0.9488
(5)	Final Fuel Cost Charge	\$(0.002371)/kWh

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 _____ - _____ - _____



JACKSON COUNTY RURAL ELECTRIC
P O BOX K
BROWNSTOWN IN 47220

ENERGY LOSS ANALYSIS FOR CALENDAR YEAR 2009
FILED IN ACCORDANCE WITH IURC ORDER IN CAUSE 33061
(APPLICABLE TO THE 2010 FUEL COST ADJUSTMENTS)

BILLING MONTH	KWH PURCHASED 2009	KWH SOLD 2009
-----	-----	-----
JANUARY	63,765,337	59,774,093
FEBRUARY	48,013,938	49,215,162
MARCH	39,753,925	38,611,930
APRIL	33,654,203	32,557,856
MAY	30,327,915	26,569,582
JUNE	38,191,774	34,535,140
JULY	36,473,271	37,149,915
AUGUST	39,105,696	38,324,435
SEPTEMBER	31,085,189	28,996,252
OCTOBER	34,452,597	32,054,382
NOVEMBER	38,750,088	35,996,028
DECEMBER	55,889,176	50,626,347
TOTAL	<u>489,463,109</u>	<u>464,411,122</u>

KWH ENERGY LOSS	25,051,987
KWH ENERGY LOSS FRACTION	0.0512
LOSS ADJUSTMENT FACTOR	0.9488



Jackson County Rural Electric Membership Corporation

P.O. Box K
Brownstown, IN 47220-0311
(812) 358-4458 Telephone
(800) 288-4458 Toll Free
(812) 358-5719 Fax

RECEIVED ON: MARCH 5, 2010
IURC 30-DAY FILING NO.: 2673
Indiana Utility Regulatory Commission

March 4, 2010

The Tribune
1215 East Tipton Street
Seymour, IN 47274

Gentlemen:

Please publish the enclosed legal advertisements in your newspaper and return a publisher's affidavit to my attention as soon as possible.

We also encourage you to print the enclosed news release explaining the actions that have brought about the legal advertisement.

Sincerely,

A handwritten signature in black ink that reads "Mark A. McKinney".

Mark A. McKinney
Project Manager
274 East Base Road
Brownstown, IN 47220
812-358-4458 x134

Enclosures:

Filing of Jackson County Rural Electric Membership Corporation
For Fuel Adjustment Rate Decrease and Adjustment

Filing of Jackson County Rural Electric Membership Corporation
For Tracking Order Rate Change and Adjustment

News Release: Jackson County REMC Seeks Rate Changes





Jackson County Rural Electric Membership Corporation

P.O. Box K
Brownstown, IN 47220-0311
(812) 358-4458 Telephone
(800) 288-4458 Toll Free
(812) 358-5719 Fax

RECEIVED ON: MARCH 5, 2010
IURC 30-DAY FILING NO.: 2673
Indiana Utility Regulatory Commission

LEGAL NOTICE

INDIANA UTILITY REGULATORY COMMISSION

FILING OF JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION FOR TRACKING ORDER RATE INCREASE AND ADJUSTMENT

Notice is hereby given that on March 4, 2010, Jackson County Rural Electric Membership Corporation, and Indiana corporation with headquarters in Brownstown, Indiana, filed with the Indiana Utility Regulatory Commission (Commission) its Verified Statement in Support of a Change In Schedule of Rates under the Order given in Commission Cause No. 34614, dated December 17, 1976, for approval of a revised schedule of rates to include a purchased power cost adjustment tracking factor adjustment of \$0.22842 per metered kilowatt hour to be effective April 1, 2010, and a purchased power cost adjustment tracking factor adjustment of \$0.030640 per metered kilowatt hour to be effective June 1, 2010 and its approval by the Indiana Utility Regulatory Commission.

JACKSON COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION
BROWNSTOWN, INDIANA

BY JOHN TRINKLE, ITS PRESIDENT





Jackson County Rural Electric Membership Corporation

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Indiana Utility Regulatory Commission

LEGAL NOTICE

INDIANA UTILITY REGULATORY COMMISSION

FILING OF JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION FOR FUEL ADJUSTMENT RATE DECREASE AND ADJUSTMENT

Notice is hereby given that on March 4, 2010, Jackson County Rural Electric Membership Corporation, an Indiana corporation with headquarters in Brownstown, Indiana, filed with the Indiana Utility Regulatory Commission (Commission) its Verified Application and Affidavit for Change in Fuel Cost Adjustment pursuant to provisions of the Commission Act IC-8-1-2-42 (b) for approval of a revised schedule of rates to include a fuel cost adjustment of \$(0.002371) per metered kilowatt hour to be effective as of April 1, 2010 and its approval by the Commission.

JACKSON COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION
BROWNSTOWN, INDIANA

BY JOHN TRINKLE, ITS PRESIDENT