



Received On: February 16, 2012

IURC 30-Day Filing No: 2962

Indiana Utility Regulatory Commission

## 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

February 16, 2011

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

Dear Mr. Borum:

On April 1, 2012, Hoosier Energy will start billing Jackson County REMC the wholesale power cost tracker listed on the enclosed Hoosier Energy REC, Inc. Power Cost Tracker. In addition, we will continue the temporary voluntary (\$0.003000) credit for April and then continue a temporary (\$0.003000) credit for May and June due to a onetime wholesale power bill credit from Hoosier Energy REC, Inc.

Accordingly, Jackson County REMC would like to set its overall power cost adjustment (Appendix "FC") to \$0.004209 per kWh effective April 1, 2012.

Yours truly,

Mark A. McKinney  
Project Manager

#### Enclosures:

Verified Application and Affidavit for Change in Fuel Cost Adjustment  
Hoosier Energy REC, Inc. Power Cost Tracker  
Energy Loss Analysis For Calendar Year 2011  
Appendix "FC" Fuel Cost Charge Report  
Appendix "A" – Approved September 21, 2011  
Verified Statement of Customer Notifications – Newspaper Cover Letter, Legal Notice, News Release

cc: Office of the Utility Consumer Counselor (OUCC)



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:

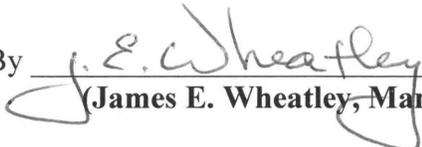
**Jackson County Rural Electric Membership Corporation** (hereinafter called

“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.
  - i) authorizing and approving the increase (or decrease) in its existing fuel cost adjustment charges based upon the costs of fuel shown by said Appendix "FC" hereto applicable to Applicant's rate schedules which Applicant has filed with or which have been approved by the Commission:
  - ii) authorizing such increase (or decrease) to be effective on all bills rendered by Applicant for electricity subsequent to the date of the Commission's approval; and
  - iii) making such other and further orders in the premises as the Commission may deem appropriate and proper.

Dated this **16th** day of **February 2012**

By   
(James E. Wheatley, Manager)

Andrew H. Wright

Attorney for:

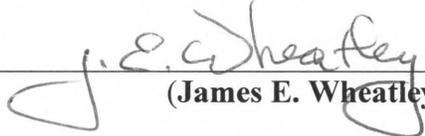
Jackson County Rural Electric Membership Corporation

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 **16th** day  
Of **February 2012**

  
\_\_\_\_\_  
(Betty Sue Baute) Notary Public

My Commission Expires: November 10, 2014

Hoosier Energy REC, Inc.  
**POWER COST TRACKER**  
 Effective April 1, 2012 - June 30, 2012  
 (\$ 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 2012	\$ 8,350	\$ 11,480	\$ 190,629	\$ 210,459	5,135,901	\$ 40.98
January - March 2013	\$ 2,783	\$ 4,779	\$ 71,261	\$ 78,823	1,919,729	\$ 41.06
<b>Total</b>	<b>\$ 11,133</b>	<b>\$ 16,259</b>	<b>\$ 261,890</b>	<b>\$ 289,282</b>	<b>7,055,630</b>	
Projected Cost per MWh	\$ 1.58	\$ 2.30	\$ 37.12	\$ 41.00		
Base Cost per MWh	\$ 1.37	\$ 2.37	\$ 37.34	\$ 41.08		
Power Cost Tracker before reconciliation adjustment per MWh	\$ 0.21	\$ (0.07)	\$ (0.22)	\$ (0.08)		
<b>Reconciliation Adjustment per MWh</b>				<b>\$ (0.24)</b>		
Power Cost Tracker per MWh to be billed April 1, 2012 - June 30, 2012				<b>\$ (0.32)</b>		

*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.

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SS Indiana Utility Regulatory Commission

JACKSON COUNTY RURAL ELECTRIC  
P O BOX K  
BROWNSTOWN IN 47220

ENERGY LOSS ANALYSIS FOR CALENDAR YEAR 2011  
(APPLICABLE TO THE 2011 FUEL COST ADJUSTMENTS)

BILLING MONTH	KWH PURCHASED 2011	KWH SOLD 2011
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JANUARY	60,901,494	57,530,010
FEBRUARY	46,645,456	55,539,597
MARCH	41,501,694	37,692,215
APRIL	30,613,012	33,882,496
MAY	32,947,491	28,447,779
JUNE	37,433,567	35,035,135
JULY	49,084,431	37,894,700
AUGUST	41,702,800	45,533,446
SEPTEMBER	30,616,780	35,040,930
OCTOBER	33,372,213	27,397,371
NOVEMBER	37,290,243	34,096,904
DECEMBER	47,756,524	41,114,288
TOTAL	<u>489,865,705</u>	<u>469,204,871</u>

KWH ENERGY LOSS 20,660,834

KWH ENERGY LOSS FRACTION 0.0422

LOSS ADJUSTMENT FACTOR 0.9578

“APPENDIX “FC”

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

Date: February 16, 2012

Name of Utility **Jackson County Rural Electric Membership Corporation**

Consumption Month(s) **April 2012 – June 2012**

Billing Month(s) **May 2012 - July 2012**

Supplier **Hoosier Energy REC, Inc.**

(1)	Supplier’s Fuel Cost Charge billed in the month of <u>04/01/2012 – 06/30/2012</u>	\$ (0.000320)/kWh
(2)	Adjustment to Base Cost of Fuel per Appendix “A”	\$ 0.00/kWh
(3)	Net Fuel cost to be recovered via Appendix “FC”	\$ (0.000320)/kWh
(4)	One minus decimal fraction of line losses for last calendar year	0.9578
(5)	Final Fuel Cost Charge:	
	(a) Fuel Cost	\$ (0.000334)/kWh
	(b) Temporary Fuel Cost Credit	<u>(0.003000)/kWh</u>
	<b>(c) Final Fuel Cost Charge</b>	<b>\$ (0.003334)/kWh</b>

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

Filing Number \_\_\_\_ - \_\_\_\_ - \_\_\_\_

**Calculation of overall Power Cost Adjustment (PCA)**

Appendix “A” Purchase Power Adjustment	\$ 0.007543
Appendix “FC” Fuel Cost Charge	<u>(0.003334)</u>
<b>Overall Power Cost Adjustment (PCA)</b>	<b><u>\$ 0.004209</u></b>

**JACKSON COUNTY RURAL ELECTRIC  
MEMBERSHIP CORPORATION**

**Appendix "A"**

**Purchased Power Adjustment** – The purchased power adjustment in rate schedules "A", "G", "P", and "R" 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 October 1, 2011  
\$0.007543 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".



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February 16, 2012

The Tribune  
1215 East Tipton Street  
Seymour, IN 47274

Dear Sirs:

Please publish the attached legal advertisement in your newspaper. Once printed, please email me a scanned copy of the publisher's proof of publication and mail the original publishers proof of publication to my attention as soon as possible.

Sincerely,

Mark A. McKinney  
Jackson County REMC  
274 East Base Road  
Brownstown, IN 47220  
812-358-5112 x134  
[mmckinney@jacksonremc.com](mailto:mmckinney@jacksonremc.com)

**Enclosures:**

Filing of Jackson County Rural Electric Membership Corporation For Fuel Adjustment



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## LEGAL NOTICE

### INDIANA UTILITY REGULATORY COMMISSION

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

Notice is hereby given that on February 16, 2011, Jackson County Rural Electric Membership Corporation, and 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 increase the fuel cost adjustment from \$(0.005265) per metered kilowatt hour to \$(0.003334) per metered kilowatt hour to be effective as of April 1, 2012 and its approval by the Commission.

JACKSON COUNTY RURAL ELECTRIC  
MEMBERSHIP CORPORATION  
BROWNSTOWN, INDIANA  
BY JOHN TRINKLE, ITS PRESIDENT

Contact information, to which an objection should be made:

Indiana Utility Regulatory Commission  
101 W. Washington Street  
Suite 1500 East  
Indianapolis, IN 46204-3407

Office of Utility Consumer Counselor  
115 W. Washington Street  
Suite 1500 South  
Indianapolis, IN 46204-3407





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February 16, 2012

### News Release:

Jackson County REMC has asked the Indiana Utility Regulatory Commission to approve an increase in its metered rates that is based upon the cost of purchased electricity that is being charged by Jackson's power supplier, Hoosier Energy, Inc.

The request of a \$1.93 per 1,000 kWh increase stems from a pending April 1, 2012 quarterly adjustment in Hoosier's power cost tracker due to varying costs for energy fuels, market power purchases, and other highly fluctuating expenses.

Jackson REMC's proposed rates will include the temporary voluntary \$3.00 per 1,000 kWh rate reduction recently approved by the REMC board of directors for April 2012, and then continue with a temporary \$3.00 per 1,000 kWh rate reduction for May and June 2012 due to a onetime bill credit from Hoosier Energy, Inc.

Overall, the power cost adjustment factor would change from \$0.002278 to \$0.004209 per kWh, increasing a typical bill of 1,000 kWh from \$112.83 to \$114.76, or 1.71%. As submitted, the new rates will become effective on April 1, 2012, and should first appear on bills mailed after May 1, 2012.

# PROOF OF PUBLICATION

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Indiana Utility Regulatory Commission

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Jackson County Rural Electric Membership Corporation, Brownstown, Indiana

By John Trinkle, Its president  
 Contact information, to which an objection should be made: Indiana Utility Regulatory Commission, 101 W. Washington Street, Suite 1500 East, Indianapolis, IN 46204-3407

Office of Utility Consumer Counselor, 115 W. Washington Street, Suite 1500 South, Indianapolis, IN 46204-3407

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Publisher of The Tribune, a daily newspaper of general circulation, published and printed in the County of Jackson, State of Indiana, upon his oath states that an advertisement, of which the annexed is a true copy, was published in said Daily Newspapers 1 time on the following dates:

20<sup>th</sup> Day of February 2012

Richard A. Davis

Subscribed and sworn to before me, this 20th day of February, 2012

Tammy Smith, Notary Public

*My commission expires May 11, 2016*

Printer's Fee \$23.17