

Harrison REMC

Your Touchstone Energy
Cooperative 

March 5, 2012

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.

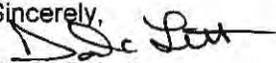
Enclosed is a copy of Hoosier Energy's Power Cost Tracker. This document shows that the tracker applicable to Hoosier members for April usage in 2012 will be \$-0.000320 per kWh. Also enclosed are calculations showing that Hoosier Energy's April 1, 2010 and October 1, 2011 wholesale rate increases will increase the Harrison REMC power bill by \$0.018780. Additionally, the Hoosier tracker and wholesale increase will increase the REMC's gross receipts tax (exhibit A) by \$.000212 per kWh.

The combination of Hoosier's tracker, wholesale rate increases, and the gross receipts tax adjustment will result in a power cost tracker of \$0.018672 ($\$-0.000320 + \$0.018780 + \0.000212). Incorporating line losses of approximately 3.62% (2011 line loss), Harrison REMC's corresponding charge to members is \$0.019373.

Hoosier will begin billing the revised Power Cost Tracker with May 1, 2012 member bills, for consumption beginning April 1, 2012. 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 – Wholesale Rate Increase Adjustment

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-----\$0.019373 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.

Appendix FC

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

Date: March 5, 2012

Name of Utility Harrison REMC
Consumption Months April - June 2012
Billing Months May - July 2012
Supplier Hoosier Energy

(1) Fuel Cost Charge	(See Exhibit A)	<u>\$0.018672</u>
(2) Deduct Base Cost of Fuel		<u>\$0.000000</u>
(3) Difference		<u>\$0.018672</u>
(4) One minus decimal fraction of average line loss for last 5 calendar years		<u>0.963805</u>
(5) Fuel Cost Factor #3 divided by #4		<u>\$0.019373 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 _____ - _____ -

Exhibit A

Computation of Tracking Factors

Hoosier Rate Increase Factor	
A. April 2010 and October 2011 Hoosier Wholesale Rate Increase	\$0.018780
Hoosier Tracker Factor	
B. April 1, 2012 - June 30, 2012 Power Cost Tracker	(0.000320)
Utility Receipts Tax Tracking Factor	
C. 2008 - Average Tracker for test year of last distribution rate increase	0.003335
D. Total Additional Tracker Dollars (A + B - C)	\$ 0.015125
E. Metered Kwh Purchases - 12 Months ending January 2012	532,244,485
F. Increased purchased power cost for Receipts taxes (D X E)	8,050,198
G. Increase in Utility Receipts Taxes @ 1.4% (F X 1.4%)	\$ 112,703
H. Total Gross Receipts Tracking Factor: (G / E)	0.000212
Total Tracking Factor Without Line Loss	
I. Sum of (A + B + H)	0.018672
Total Tracking Factor Adjusted for Line Loss	
J. Line Loss - 2011	0.036195
Total Tracker (I / (1-J))	0.019373

Tracking Factors

Hoosier Rate Increase	0.018780
Hoosier Tracker	(0.000320)
Gross Receipts	0.000212
Total	0.018672
Line Loss - 2011	0.036195
Total Tracker	0.019373

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 Productio n Costs</u>	<u>Total Projected Costs</u>	<u>Energy Sales (MWh)</u>	<u>Projecte d 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
Total	<u>\$ 11,133</u>	<u>\$ 16,259</u>	<u>\$ 261,890</u>	<u>\$ 289,282</u>	<u>7,055,630</u>	
Projected Cost per MWh	\$ 1.58	\$ 2.30	\$ 37.12	\$ 41.00		
Base Cost per MWh	<u>\$ 1.37</u>	<u>\$ 2.37</u>	<u>\$ 37.34</u>	<u>\$ 41.08</u>		
Power Cost Tracker before reconciliation adjustment per MWh	\$ 0.21	\$ (0.07)	\$ (0.22)	\$ (0.08)		
Reconciliation Adjustment per MWh				<u>\$ (0.24)</u>		
Power Cost Tracker per MWh to be billed April 1, 2012 - June 30, 2012				<u>\$ (0.32)</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 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.

	Purchased Kwh	Sold Kwh	Office Kwh	Line Loss
2011	539,636,285	519,676,920	427,495	0.036195
2010	570,540,313	542,565,573	421,443	0.048293
2009	528,741,583	505,153,530	403,044	0.043849
2008	556,984,111	536,781,328	464,805	0.035437
2007	562,839,708	545,294,083	469,131	0.030340
Total	2,758,742,000	2,649,471,434	2,185,918	0.038816

	Purchased Kwh	Sold Kwh	Office Kwh	Line Loss
2011	539,636,285	519,676,920	427,495	0.036195

NOTICE

Notice is hereby given that on March 5, 2012; 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 \$0.001420 per kWh (\$1.42 per 1,000 kWh).

This filing is expected to be approved by the IURC by April 11, 2012. If approved, the change would take effect for bills to be rendered beginning with the May 2012 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 Street, 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.



AFFIDAVIT OF PUBLICATION AND MAILING

I, Shannon Smith, an employee of **Print Communications Inc.**, the printer of the *Electric Consumer*, a trade publication of the members of the Harrison Rural Electric Membership Corporation (known as REMC), being duly sworn upon my oath say that on the 27th day February, 2012, 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 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 black ink, appearing to read "Shannon Smith", written over a horizontal line.

Shannon M. Smith
Print Communications, Inc.
Indianapolis, Indiana

SS: _____
County of Marion

Before me the undersigned, a Notary Public for Hancock County, State of Indiana, personally appeared Shannon Smith and acknowledged the execution of this instrument this 27th day of February 2012.

A handwritten signature in black ink, appearing to read "Lisa Martin-Spear", written over a horizontal line.
NOTARY PUBLIC

(SEAL)

My Commission expires: 9/22/2017

B"

MC

Your Touchstone Energy® Cooperative 

Electric Consumer

MARCH 2012

A Place in the Sun

Purdue University's solar house
has the feel of an Indiana home



ALSO INSIDE

Co-opNews... 7-10

News of note

REMC's 74th annual meeting April 3... 7

Power dives

An enterprise owned by a customer of Harrison REMC offers

Spark your imagination with our annual art contest ...

Deadline is March 23!
Info is on the back cover.

REMC RATE SCHEDULE

Residential and Farm Service Rate

EXAMPLE FOR 1,000 KWHS

Basic service charge.....	\$20.00
First 750 kwhs @ 0.100903/kwh*	75.68
Over 750 kwhs @ 0.085183/kwh*	21.30
SUB-TOTAL.....	\$116.97
Indiana sales tax (7%)	8.19
TOTAL BILL.....	\$125.16

*\$ 0.017953 of each line represents wholesale power cost adjustments since January 2010. (Power Cost Tracker)

TRACKER NOTICE

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This filing is expected to be approved by the IURC by April 11, 2012. If approved, the change would take effect for bills to be rendered beginning with the May 2012 billing cycles.

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Harrison REMC offers CFL recycling

Please put old bulbs in a plastic bag and bring them to our office. We will see that they get disposed of properly.



Please no long tube

Plan to join in on

Harrison REMC has the following trips planned for 2012:

IKEA

IKEA offers a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them. Items range from furniture, lighting and decorations to organizational items and textiles. Most furniture comes in a flat package to be assembled. We will visit this Swedish-founded store located in West Chester, Ohio. There will be plenty of room under the bus to bring home all your purchases. For more information, check its website, www.IKEA.com. We will also visit Premium Outlet Mall in nearby Monroe.

- April 11
- \$40, plus meals
- 7 a.m. to 8 p.m.

Fair Oaks Farm

Fair Oaks Farm is a working dairy farm. Every day, 80-100 calves are born. Your tour guide takes you through the process, from eating grass to making delicious dairy products. Visit the birthing barn and the cheese barn. The tour is three hours and is located in Fair Oaks, Ind. We will stop for dinner at Jonathon Byrd's Cafeteria in Greenwood, touted as the World's Largest Cafeteria.

- June 13
- \$65, plus meals
- 6 a.m. to 7 p.m.

Indiana State Fair

Come on, let's go to the fair! Enjoy attending the fair without the hassles of driving and parking.

- August
- \$30, plus meals

Easter bunny coming to the REMC

Parents: bring your children to get a free picture taken with the Easter bunny! Children can register to win chocolate bunny!

- March 20
- 4 - 7 p.m.
- Harrison REMC office