



## 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

November 21, 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 January 1, 2012, Hoosier Energy will start billing Jackson County REMC the wholesale power cost tracker listed on the enclosed January 1, 2012 – March 31, 2012 Power Cost Tracker. In addition, we will continue the temporary (\$0.003000) credit that was approved by our board of directors on September 13, 2011.

Accordingly, Jackson County REMC would like to set its overall power cost adjustment (Appendix "FC") to \$0.002278 per kWh effective January 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 (Exhibit "A")  
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:

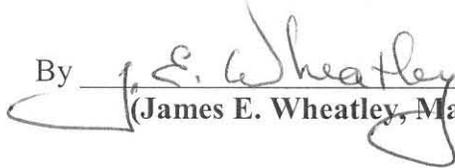
**Jackson County Rural Electric Membership Corporation** (hereinafter called

“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 **21st** day of **November 2011**

By  \_\_\_\_\_  
(James E. Wheatley, Manager)

Andrew H. Wright

Attorney for:

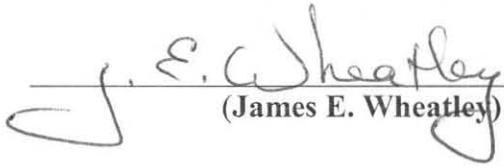
Jackson County Rural Electric Membership Corporation

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 **21st** day  
Of **November 2011**

  
(Anita S. Banister) Notary Public

My Commission Expires: April 26, 2016

Exhibit A

Hoosier Energy REC, Inc.  
 POWER COST TRACKER  
 Effective January 1, 2012 - March 31, 2012  
 (\$ in thousands)

	Environmental Compliance Costs	MISO Transmission Costs	Variable Production Costs	Total Projected Costs	Energy Sales (MWh)	Projected Costs per MWh
January - December 2012	\$ 7,639	\$ 15,673	\$ 255,251	\$ 278,563	7,012,054	\$ 39.73
<b>Total</b>	<b>\$ 7,639</b>	<b>\$ 15,673</b>	<b>\$ 255,251</b>	<b>\$ 278,563</b>	<b>7,012,054</b>	
Projected Cost per MWh	\$ 1.09	\$ 2.24	\$ 36.40	\$ 39.73		
Base Cost per MWh	\$ 1.37	\$ 2.37	\$ 37.34	\$ 41.08		
Power Cost Tracker before reconciliation adjustment per MWh	\$ (0.28)	\$ (0.13)	\$ (0.94)	\$ (1.35)		
Reconciliation Adjustment per MWh				\$ (0.80)		
Power Cost Tracker per MWh to be billed January 1, 2012 - March 31, 2012				\$ (2.15)		

*Environmental Compliance Costs* include fixed operations, maintenance and capital costs for environmental assets placed in service and under construction (interest only for CVIP) 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.

“APPENDIX “FC”

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

Date: November 21, 2011

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

Consumption Month(s) **January 2012 – March 2012**

Billing Month(s) **February 2011 - April 2012**

Supplier **Hoosier Energy REC, Inc.**

(1)	Supplier’s Fuel Cost Charge billed in the month of <u>01/01/2012 – 03/31/2012</u>	\$(0.002150)/kWh
(2)	Adjustment to Base Cost of Fuel per Appendix “A”	\$ 0.00/kWh
(3)	Net Fuel cost to be recovered via Appendix “FC”	\$(0.002150)/kWh
(4)	One minus decimal fraction of line losses for last calendar year	0.9491
(5)	Final Fuel Cost Charge:	
	(a) Fuel Cost	\$ (0.002265)/kWh
	(b) Voluntary Fuel Cost Credit	<u>(0.003000)/kWh</u>
	<b>(c) Final Fuel Cost Charge</b>	<b>\$ (0.005265)/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>(0.005265)</u>
<b>Overall Power Cost Adjustment (PCA)</b>	<b><u>\$ 0.002278</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".

Received On: November 21, 2011

IURC 30-Day Filing No: 2930

Indiana Utility Regulatory Commission



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November 21, 2011

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

Received On: November 21, 2011

IURC 30-Day Filing No: 2930

Indiana Utility Regulatory Commission



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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 November 21, 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 \$(0.006414) per metered kilowatt hour to \$(0.005265) per metered kilowatt hour to be effective as of January 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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### 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 \$1.15 per 1,000 kWh increase stems from a pending January 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 continue the temporary \$3.00 per 1,000 kWh rate reduction recently approved by the REMC board of directors that became effective November 1, 2011.

Overall, the power cost adjustment factor would change from \$0.001129 to \$0.002278 per kWh, increasing a typical bill of 1,000 kWh from \$111.68 to \$112.83, or 1.03%. As submitted, the new rates will become effective on January 1, 2012, and should first appear on bills mailed after February 1, 2012.