

Harrison REMC

Your Touchstone Energy[®]
Cooperative 

RECEIVED
SEPTEMBER 9, 2009
Indiana Utility
Regulatory Commission

IURC 30-DAY FILING NO. 2596

September 8, 2009

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

Dear Mr. Borum:

Harrison REMC requests use of the IURC's 30-day filing procedure to update Appendix A-Wholesale Power Cost Tracker applicable to our consumption based retail tariffs.

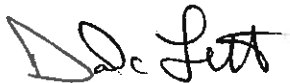
Enclosed is a copy of Hoosier Energy's Power Cost Tracker. This shows that the tracker applicable to Hoosier members for October usage in 2009 will be \$.011720 per kWh. Also enclosed is a copy of Hoosier's January 2009 wholesale increase and an excel spreadsheet that indicates this change would increase the Harrison REMC power bill by \$.001591. Additionally, the Hoosier tracker and wholesale increase will increase the REMC's gross receipts tax (exhibit A) by \$.000074 per kWh.

The combination of Hoosier's tracker, wholesale rate increase, and the gross receipts tax adjustment would result in a power cost tracker of \$.013385 (\$.011720 + \$.001591 + .000074). Incorporating line losses of approximately 3.49% (5 year average), Harrison REMC's corresponding charge to members is \$.013868.

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

Please contact me if you have any questions.

Sincerely,



David C. Lett
CEO

cc: Tyler Bolinger, Electric Director, OUCC
Enclosures:

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



Appendix FC

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

Date: September 3, 2009

Name of Utility Harrison REMC
Consumption Months October - December 2009
Billing Months November 2009 – January 2010
Supplier Hoosier Energy

| | | |
|---|-----------------|---------------------------|
| (1) Fuel Cost Charge | (See Exhibit A) | <u>\$0.013385</u> |
| (2) Deduct Base Cost of Fuel | | <u>\$0.000000</u> |
| (3) Difference | | <u>\$0.013385</u> |
| (4) One minus decimal fraction of average line loss for last 5 calendar years | | <u>0.965148</u> |
| (5) Final Fuel Cost Factor #3 divided by #4 | | <u>\$0.013868 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 _____ - _____ - _____



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-----\$.013868 per kWh used per month.

FUEL COST ADJUSTMENT

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

**Exhibit A**

| Item | Description | |
|-------------|--|--------------------|
| A. | Hoosier Tracker October 1 Usage | \$0.011720 |
| B. | Hoosier Rate Increase Jan 1 Usage | <u>\$0.001591</u> |
| C. | Total | \$0.013311 |
| D. | Hoosier Tracker Dec 1 Usage | <u>-\$0.008030</u> |
| E. | Total | \$0.005281 |
| F. | August 2008 - July 2009 kWh Purchases | 537,043,969 |
| G. | Additional Tracker \$\$\$ (Item E. X Item F.) | \$2,836,129 |
| H. | Additional Gross Receipts Tax \$\$\$ (Item G. X 1.40% Gross Receipts Tax) | \$39,706 |
| I. | Gross Receipts Factor (Item H. / Item F.) | \$0.000074 |
| J. | Total Tracker without Line Loss Adjustment (Item C. + Item I.) | \$0.013385 |
| K. | Line Loss 5 year Average | 0.034852 |
| L. | Total Tracker with Line Loss Adjustment (Item J / 1 - Item K) | \$0.013868 |

Hoosier Energy REC, Inc.
Power Cost Tracker
Effective October 1, 2009 - December 31, 2009
(\$ in thousands)

| | Environmental Compliance Costs | MISO Transmission Costs | Variable Production Costs | Total Projected Costs | Energy Sales (MWh) | Projected Costs per MWh |
|---|-----------------------------------|-------------------------------|------------------------------|--------------------------|-----------------------|----------------------------|
| October - December 2009 | \$ 1,453 | \$ 3,858 | \$ 61,220 | \$ 66,531 | 1,734,060 | \$ 38.37 |
| January - September 2010 | \$ 2,305 | \$ 11,992 | \$ 188,790 | \$ 203,086 | 5,338,090 | \$ 38.04 |
| Total | \$ 3,757 | \$ 15,850 | \$ 250,010 | \$ 269,617 | 7,072,150 | |
| Projected Cost per MWh | \$ 0.53 | \$ 2.24 | \$ 35.35 | \$ 38.12 | | |
| Base Cost per MWh | \$ 0.18 | \$ 1.60 | \$ 26.44 | \$ 28.22 | | |
| Power Cost Tracker before reconciliation adjustment per MWh | \$ 0.35 | \$ 0.64 | \$ 8.91 | \$ 9.90 | | |
| Reconciliation Adjustment per MWh | | | | \$ (0.18) | | |
| Power Cost Tracker before defeased lease transaction | | | | \$ 9.72 | | |
| Dedicated to defeased lease transaction* | | | | \$ 2.00 | | |
| Power Cost Tracker per MWh to be billed October 1, 2009 - December 31, 2009 | | | | \$ 11.72 | | |

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

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

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

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

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





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

3.49%

0.9651

Hoosier Energy Rate Adjustment

Marty Blake

The Prime Group, LLC

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Objectives

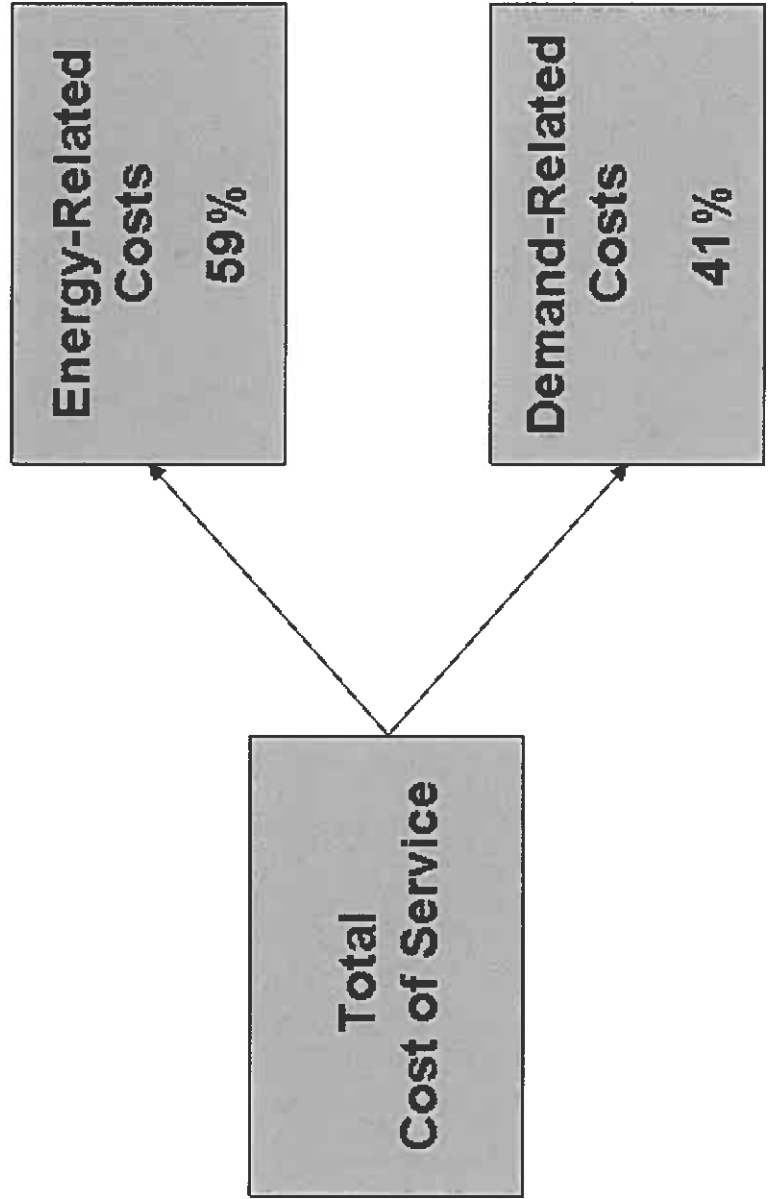
- Develop rates that provide an overall increase of 1.5 mills
- Spread the increase between the demand and energy charges based on the demand and energy cost relationships from Hoosier Energy's last cost of service study performed last year



Demand/Energy Cost Classification from Cost of Service Study

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Key Rate Design Assumptions

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

Proposed Standard Member Rate

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Current

Proposed

Production Demand

\$6.50/kW

\$6.67/kW

Transmission Demand

\$3.37/kW

\$3.46/kW

Subst & Rad Demand

\$1.24/kW

\$1.27/kW

Energy

\$0.03268/kWh

\$0.03357/kWh

Industrial Power Tariff

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

No change in EDR demand charges

Interruptible Power Tariff

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

Amount of Interruption: 12 Interruptions per calendar year

Interruptible Power Tariff No. 2

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Current

Proposed

Firm Demand

\$8.94/kW

\$9.33/kW

Interruptible Demand

\$6.54/kW

\$5.33/kW

Energy

\$0.03268/kWh

\$0.03357/kWh

Amount of Interruption: 500 hours per 12-month period



AFFIDAVIT OF PUBLICATION AND MAILING

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

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

Kane M. Neese

Kane M. Neese
Print Communications, Inc.
Indianapolis, Indiana

SS:
County of Hendricks

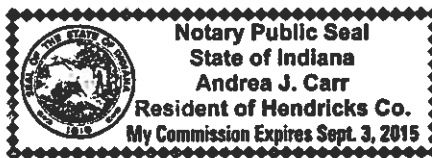
Before me the undersigned, a Notary Public for Hendricks county, State of Indiana, personally appeared Kane Neese and acknowledged the execution of this instrument this 31st day of August 2009.

Andrea J. Carr

NOTARY PUBLIC

(SEAL)

My Commission expires: Sept. 3, 2015





Member Appreciation Day



Come to the REMC office
65 Old Forest Road in Corydon
and let us celebrate you.
We hope to see you at our

Member Appreciation Day
Tuesday, Sept. 16, 3-7p.m.

at the REMC office in the afternoon
come by after school or work
for some food and fun.

- FREE hot dogs, popcorn and sodas
- DJ
- Giveaways,
- Product information
- Games and door prizes



For the kids
Bounce house and slide

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GO-OP NOTES

REMC supports local 4-H fairs

Each year Harrison REMC supports local 4-H fairs in Floyd and Harrison counties. Details for both county fairs are published below.

Floyd County Fair livestock purchases:

Kelsey Wood – swine; Danny Laird – goat; Holden Aven – goat; Ryan Milam – goat; Grant Oldham – goat; Garrett Jones – goat; Gwyn Jones – goat; and Will Hale – goat.

Harrison County Fair livestock purchases:

David Peters – steer, and Chad Seipel – steer.

NOTICE

Notice is hereby given that on Sept. 5, 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 (REMCs). 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 \$0.001005 per kwh (\$1.01 per 1,000 kwh).

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

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





electric consumer

September 2009

CENTER SECTION

Co-opNews

pages 7-10

Member Appreciation Day

Sept. 16 at the REMC,
page 9

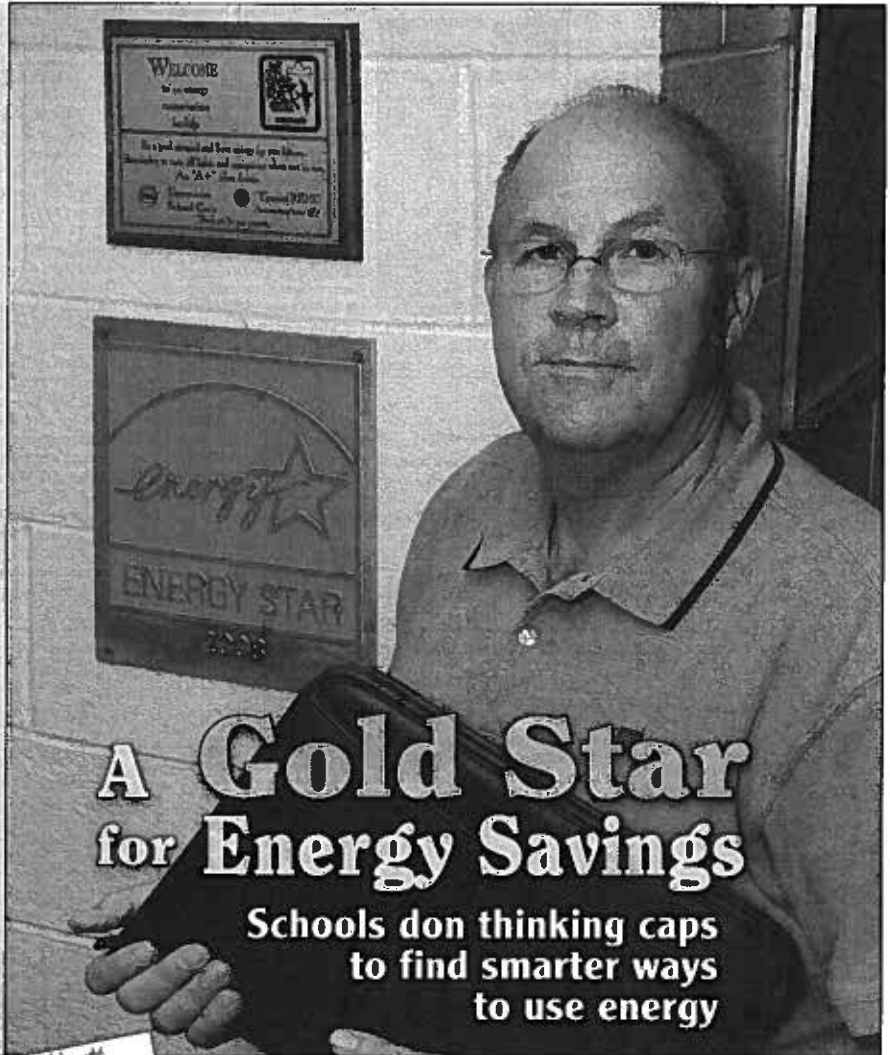
ALSO INSIDE

Deli-cious!

Many delicious meals
start with meats
right from the deli!

Building efficiency

Energy-efficient
LEED home starts
from the ground up



A Gold Star for Energy Savings

Schools don't think caps
to find smarter ways
to use energy



Attention 5th-8th Graders!

Have Lunch with **MISS AMERICA**

Please see the back cover for details!