



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 28, 2011

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 fuel adjustment factor

Dear Mr. Borum:

On April 1, 2011, Hoosier Energy will start billing a wholesale power cost tracker of \$0.002340 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 \$ 0.002465 per kWh effective for April 1, 2011 usage that will be billed in May 2011.

Yours truly,

A handwritten signature in cursive script that reads "Mark A. McKinney".

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
Verified Statement of Customer Notifications:
- Legal Notice Cover Letter
- Legal Notice
- News Letter Announcement
Energy Loss Analysis For Calendar Year 2010

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:

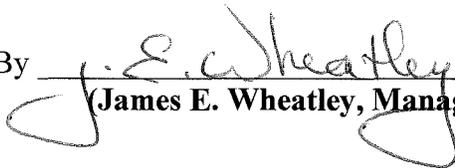
Jackson County Rural Electric Membership Corporation (hereinafter called
“Applicant”) respectfully represents and shows unto this Commission:

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 **28th** day of **February 2011**

By


(James E. Wheatley, Manager)

Andrew H. Wright

Attorney for:

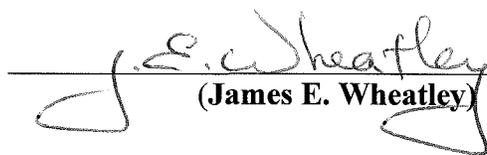
Jackson County Rural Electric Membership Corporation

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 **28th** day
Of **February 2011**


(Betty Sue Baute) Notary Public

My Commission Expires: November 10, 2014

Hoosier Energy REC, Inc.
POWER COST TRACKER
 Effective April 1, 2011 - June 30, 2011
 (\$ 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 2011	\$ 4,049	\$ 11,045	\$ 187,256	\$ 202,350	5,234,451	\$ 38.66
January - March 2012	\$ 1,350	\$ 4,689	\$ 72,586	\$ 78,626	1,912,022	\$ 41.12
Total	<u>\$ 5,399</u>	<u>\$ 15,735</u>	<u>\$ 259,842</u>	<u>\$ 280,976</u>	<u>7,146,473</u>	
Projected Cost per MWh	\$ 0.76	\$ 2.20	\$ 36.36	\$ 39.32		
Base Cost per MWh	<u>\$ 0.97</u>	<u>\$ 1.93</u>	<u>\$ 33.15</u>	<u>\$ 36.05</u>		
Power Cost Tracker before reconciliation adjustment per MWh	\$ (0.21)	\$ 0.27	\$ 3.21	\$ 3.27		
Reconciliation Adjustment per MWh				<u>\$ (1.63)</u>		
Power Cost Tracker before defeased lease transaction				\$ 1.64		
Dedicated to defeased lease transaction				<u>\$ 0.70</u>		
Power Cost Tracker per MWh to be billed April 1, 2011 - June 30, 2011				<u>\$ 2.34</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.

APPENDIX "FC"

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

Date: February 28, 2011

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

Consumption Month(s) **April 2011**

Billing Month(s) **May 2011**

Supplier **Hoosier Energy REC, Inc.**

- | | | |
|-----|--|----------------|
| (1) | Supplier's Fuel Cost Charge billed in the month of
<u>04/01/2011 – 06/30/2011</u> | \$0.002340/kWh |
| (2) | Adjustment to Base Cost of Fuel per Appendix "A" | \$ 0.00/kWh |
| (3) | Net Fuel cost to be recovered via Appendix "FC" | \$0.002340/kWh |
| (4) | One minus decimal fraction of line losses for last calendar year | 0.9491 |
| (5) | Final Fuel Cost Charge | \$0.002465/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 _____ - _____ - _____



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February 28, 2011

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,

Mark A. McKinney
Jackson County REMC
274 East Base Road
Brownstown, IN 47220
812-358-4458 x134

Enclosures:

Filing of Jackson County Rural Electric Membership Corporation For Fuel Adjustment
News Release



Jackson County Rural Electric Membership Corporation

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February 28, 2011

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., headquartered in Bloomington, Indiana.

The request of a \$1.05 per 1,000 kWh increase stems from a pending April 1, 2011 quarterly adjustment in Hoosier's power cost tracker that matches its net change in costs for energy fuels, market power purchases, and other highly fluctuating expenses.

The request would increase a typical Jackson REMC bill of 1,000 kWh from \$111.97 to \$113.02, an increase of \$1.05, or 0.94%.

As submitted, the new rates will become effective on April 1, 2011, and should first appear on bills mailed after May 1, 2011.



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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 February 28, 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 include a fuel cost adjustment of \$0.002465 per metered kilowatt hour to be effective as of April 1, 2011 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



SSA/KWH Analysis

JACKSON COUNTY RURAL ELECTRIC
 P O BOX K
 BROWNSTOWN IN 47220

ENERGY LOSS ANALYSIS FOR CALENDAR YEAR 2010

FILED IN ACCORDANCE WITH IURC ORDER IN CAUSE 33061

(APPLICABLE TO THE 2011 FUEL COST ADJUSTMENTS)

BILLING MONTH	KWH PURCHASED 2010	KWH SOLD 2010
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JANUARY	62,266,964	59,503,119
FEBRUARY	53,715,671	56,810,488
MARCH	40,481,187	42,076,957
APRIL	29,297,708	31,581,496
MAY	32,690,111	27,767,056
JUNE	42,519,993	37,126,379
JULY	47,333,154	42,322,722
AUGUST	46,193,518	47,450,991
SEPTEMBER	34,548,661	36,791,787
OCTOBER	31,076,694	29,299,289
NOVEMBER	39,384,131	33,560,201
DECEMBER	61,385,255	50,089,220
TOTAL	<u>520,893,047</u>	<u>494,379,705</u>

KWH ENERGY LOSS 26,513,342

KWH ENERGY LOSS FRACTION 0.0509

LOSS ADJUSTMENT FACTOR 0.9491